

FINANCIAL TIMES

Weekend FT

Roman cinema: the closing scene?

Pink Snow: A guide to skiing 1996-97

A big hand for the Grand Tourist

World Business Newspaper http://www.FT.com

WEEKEND OCTOBER 12/OCTOBER 13 1996

Trial questioned after S African general acquitted

Former South African defence minister, General Magnus Malan, walked free after his acquittal in a seven-month murder trial centring on the 1987 massacre of 13 people at a house in KwaMakutha...

Peace prize for East Timor pair: East Timor bishop Carlos Belo and exiled resistance leader Jose Ramos Horta shared the 1996 Nobel Peace Prize...

European brewers back UK rules: Brewers in mainland Europe backed UK rules which help small brewers sell their cask-conditioned 'real ales'...

Jordic countries battle gang warfare: Jordic justice ministers agreed to work together to tackle the problem of gang warfare between Uker clubs...

Yeltsin targets tax dodgers: Russian president Boris Yeltsin declared war on unpaid taxes, winning approval from the west...

First payout for BCCI creditors: Bank of Credit and Commerce International creditors are to get their first dividend, of 24.5p in the pound...

Low surge lifts London stocks: An early trading rise of more than 50 points in the Dow Jones Industrial Average...

CD joint ventures: The Japanese electronic components maker Hitachi and Philips Flat Panel Display...

Older dies after IRA bomb blast: British Alder James Bradwell died as a result of the injuries he received in Monday's bombing of British Army headquarters in Lisburn...

Pharmacia & Upjohn, the Swedish-US pharmaceuticals group, saw its share value fall most 12 per cent after the company issued a surprise profits warning...

Agriera bomb kills five: A bomb exploded the town market of Koles, 30km (20 miles) north-west of Algiers...

Man jailed over child sex tours: A British travel agent was jailed in the Philippines for 16 years for promoting child sex tours...

FT.com: The FT web site provides online news, comment and analysis at http://www.FT.com

Companies in this issue: Accus Polar, Flow Streamlines, The Airports, etc.

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S Korea poised to join OECD

Human rights concessions pave way for first Asian tiger to be admitted

South Korea is set to become the first Asian tiger to join the Organisation for Economic Co-operation and Development, the exclusive club of the world's richest industrial nations...

The country heavily dependent on speculative foreign money. Nevertheless, the government believes the National Assembly will approve membership...

felt a lifting of restrictions on freedom of association and collective bargaining was necessary to bring human rights in line with those expected of an industrial country.

The Cable guys fight it out over New York TV market

An ugly battle between two of the world's most powerful media moguls - mixing politics, money and egos - has spilled into the homes of New Yorkers...



Hindus to protest as Maharaja Mac goes to Delhi

McDonald's, the world's biggest fast food chain, will tomorrow open its first Indian branch in Delhi - the only one in the world where you won't be able to buy a hamburger...

Telekom accused of market abuse

Six of Germany's largest private telecom operators, including Veba and Viag, yesterday lodged a complaint with the European Commission...

Telekom accused of market abuse

Following a complaint by the operators earlier this year, Brussels stopped Deutsche Telekom introducing the discounts on the grounds that they were anti-competitive...

Guinness Flight advertisement: THE 21st CENTURY BELONGS TO ASIA. MAKE SURE A BIT OF ASIA BELONGS TO YOU. Includes contact information and a coupon.

NEWS: EUROPE

Former Yeltsin bodyguard lashes out at Kremlin leader's new entourage

Korzhakov threatens to spill the beans

By Chrystia Freeland in Moscow

Russia's national mudslinging match got dirtier yesterday when President Boris Yeltsin's former bodyguard accused the Kremlin leader's new entourage of using the president's ill health to further their personal ambitions.



Korzhakov (left) holds a flak jacket in front of his former boss at a rally in Moscow in 1991

The allegation, which was clearly aimed at Mr Anatoly Chubais, the president's influential chief of staff, marked an escalation in the battle of compromising rumours which have become the principal weapons in Russian politics.

Gen Alexander Korzhakov, who for more than a decade was the president's personal friend and chief bodyguard, also warned that he had amassed "compromising materials" during his tenure and would reveal them if he or his family were physically threatened.

The most incendiary charge the former KGB agent made at his first ever press conference was that the liberal team which ousted him from the Kremlin in June was coldly manipulating Mr Yeltsin's

health for personal political advantage.

"Some people who are now in the president's entourage really wanted to run him into the ground in order to get the situation which we have now," Gen Korzhakov said. "And, naturally, they

wanted to manipulate him behind his back after that."

Thrown into political uncertainty by Mr Yeltsin's impending heart surgery, Russia's leading politicians have resorted to vicious smear campaigns in a proxy for open political jousting.

Some observers see the conflicting charges as part of the rivalry between Mr Chubais and Mr Alexander Lebed, the popular security adviser who has betrayed Gen Korzhakov.

The charges also served as justification for the episode which was the beginning of the end of Gen Korzhakov's tenure in the Kremlin. During this year's presidential election campaign, he achieved international notoriety by calling for the poll to be postponed. That comment cemented his reputa-

tion as an authoritarian hardliner and helped Mr Chubais to orchestrate Gen Korzhakov's ouster in June. But yesterday the former bodyguard, who intends to stand in an upcoming parliamentary by-election, explained that he had pushed for a delay in the vote because of the toll the brutal campaign was taking on Mr Yeltsin's health.

"I had a very long chat with Boris Nikolaevich [during the campaign] in which he expressed great concern that he would not be able to run in this race," Gen Korzhakov said. "He was very tired by then because of constant travel, meetings with people, speeches, dances. A real threat to his health emerged."

Gen Korzhakov became the target of a criminal investigation earlier this week after a sensational television broadcast in which he was accused of a \$40m extortion scam. Some Russian newspapers have alleged that the allegations were made at Mr Chubais's bidding. The televised charges were broadcast by networks close to the chief of staff and hostile to Gen Korzhakov.

INTERNATIONAL NEWS DIGEST

US sales and inflation rise

A surge in US car sales led to higher than expected retail sales last month, official figures indicated yesterday. Separate data on producer prices showed evidence of mild upward pressure on inflation. The commerce department said retail sales rose 0.7 per cent, well above projections in financial markets of about 0.2 per cent. The increase mainly reflected a 1.7 per cent increase in sales of new cars. Excluding cars, sales were up 0.4 per cent. The producer price index for finished goods rose 0.2 per cent last month and by 2.9 per cent in the year to September. The "core" index, excluding food and energy, however, rose 0.3 per cent, the largest gain since May. Financial markets took the figures calmly, partly because the jump in sales last month was largely offset by a downward revision to previous data. August sales were reported down 0.2 per cent, rather than up 0.2 per cent. As a result consumer spending grew sluggishly in the third quarter as a whole. Michael Prouse, Washington

Belarus MPs defy president

The Belarus parliament has set itself on a collision course with President Alexander Lukashenko by voting to go ahead with a referendum on November 24 that could abolish the post of president. Deputies voted 89-84 yesterday in favour of the poll shortly after Mr Lukashenko stormed out of the chamber vowing to hold a separate referendum which would give him a new five-year tenure. Mr Lukashenko, whom critics have accused of taking an increasingly authoritarian line since coming to power two years ago, told parliament he had withdrawn proposals offering deputies wider powers if they support his referendum. Reuters, Minsk

Arrests in securities swoop

Forty-five stock promoters, brokers and officers of publicly traded companies have been named in federal charges involving bribes made to brokers to induce customers to buy certain low-priced stocks. Mr Mary Jo White, a Manhattan attorney, said 36 of the defendants had been taken into custody "in the largest single set of arrests ever made in the securities industry". The defendants in the far flung schemes are from Florida, California, Arizona, Utah, Illinois, Colorado, New York, New Jersey, Connecticut and Canada. In addition to the criminal charges, the Securities and Exchange Commission filed civil suits against 28 of the defendants. The charges were the result of a series of investigations including an undercover operation in which FBI agents posed as "unscrupulous brokers". Reuters, New York

Sharon turns down Cairo visit

Relations worsened between Egypt and the Israeli government yesterday after Mr Ariel Sharon, Israeli infrastructure minister, said he would not accept an invitation to Egypt unless Cairo stopped criticising his prime minister, Mr Benjamin Netanyahu. Egypt has been notably critical of Mr Netanyahu for his apparent unwillingness to implement either the Oslo peace accords or the 1995 Israeli-Palestinian interim peace agreement. It has also accused his government of jeopardising peace in the entire region. Mr David Levy, Israeli foreign minister, summoned Mr Mohammad Bassiouny, the Egyptian ambassador, to protest about media attacks on the Likud government. Israel's President Ezer Weizman, who last week met Mr Yassir Arafat, president of the Palestinian Authority, will visit Cairo on Monday to try to improve relations. He has also accepted an invitation from King Hussein of Jordan. Judy Dempsey, Jerusalem

NZ coalition may take weeks

New Zealanders vote today in a general election, the final outcome of which may not be known for weeks. Latest polls suggest a narrow victory for leftwing parties - which have yet to discuss forming a coalition. Mr Winston Peters, who leads New Zealand First, the party likely to hold the balance of power, said yesterday he thought it would take six weeks to hammer out an agreement after the election, the first to be held under the German-style proportional voting system. Latest polling shows that, while support for NZ First is slipping, it will still win about 20 seats. Both Labour and the governing National party have been courting Mr Peters, a former National minister who broke away after public disagreements with Mr Jim Bolger, the prime minister. However, two thirds of his supporters, including a powerful Maori group, want him to form a coalition with Labour. Terry Hall, Wellington

Thai power deal signed

A consortium of Thai Oil and Unocal and Westinghouse Electric of the US yesterday signed a deal with Thailand's electricity authority to generate 700MW of electricity for the country's independent power producer scheme. The \$1.5bn (\$34m) preliminary contract calls for the electricity to be priced at an average of \$11.25 per kilowatt-hour. The gas-fired plant will be located along Thailand's booming eastern seaboard region and will begin delivery within 30 months of the signing of a more detailed power purchase agreement, expected soon. Two other similar deals, totalling about 1,000MW, will be signed soon, officials said. Ted Baracke, Bangkok

ECONOMIC WATCH

Spanish inflation slows

Spain's inflation rate slowed slightly more than expected last month, but registered unemployment was higher than forecast, according to data released yesterday. September prices rose 0.2 per cent, causing year-on-year headline inflation to edge down to 3.6 per cent from 3.7 per cent in August. Underlying inflation, which excludes energy and fresh food, dropped to 3.4 per cent from 3.6 per cent after registering a similar 0.2 price increase last month. The market consensus had been that headline inflation would remain unchanged and the underlying figure would fall to 3.5 per cent. The accumulated headline inflation rate this year is now 2.8 per cent, putting the government's targeted 12-month price rise of 3.5 per cent for year's end firmly within reach. Registered unemployment, in contrast, rose to 15.106 last month, more than twice the expected figure. Labour population, up on the August figure of 13.85 per cent. Tom Burns, Madrid

German consumer prices fell 0.1 per cent in September from August and were up 1.4 per cent year-on-year. French consumer prices rose a provisional 0.4 per cent in September after a 0.3 per cent decline in August. The year-on-year inflation rate was 1.6 per cent versus 1.5 per cent in August.

Chubais gains new powers in tax campaign

By Chrystia Freeland

President Boris Yeltsin yesterday declared a war on unpaid taxes, winning plaudits from the west and further enhancing the power of his chief of staff, Mr Anatoly Chubais. The initiative came as parliament overwhelmingly rejected the government's draft 1997 budget, complaining that the revenue projections were too optimistic.

Mr Yeltsin, who has not appeared in public since mid-August and is preparing for heart

surgery, announced on radio the formation of a special commission to monitor tax collection. "I know taxes are high today, but we will be able to lower them only if we manage to ensure compliance with tax legislation," he said, taking up a theme western economists consider Russia's most pressing economic problem.

"Those who dodge taxes make pensioners, the army, science and culture scrape out the life of semi-papers," the president said. The new tax collection body will be headed by Mr Victor Chernomyrdin, the prime minister. His number two will be Mr Chubais, who will thus secure a direct voice in economic decision-making.

The new role delighted western investors, who credit Mr Chubais with pushing through Russia's most effective economic reform programmes. But it is likely to provide further ammunition for his political rivals, who have begun accusing him of usurping power.

Reformers hope that he will have the power to take on the influential and wealthy companies which are Russia's biggest tax non-payers. Tax collection was poor this spring, but the government hoped it would pick up after the elections. However, the state tax services said this month that revenues had fallen by 29 per cent in September from August. The government collected only 45 per cent of budgeted taxes last month; for the first nine months of the year it gathered only 75 per cent of targeted revenues. Western economists hope Mr Yeltsin's statement is a signal

that, at last, the Kremlin has summoned the political will to collect taxes. Improved levels of tax collection could help the government steer the budget through the rebellious parliament. In the draft's first reading yesterday, deputies voted against the proposals by 290 votes to 53, a hefty majority which included many reformist MPs. They must now decide whether to demand a new draft in 30 days or to set up a conciliation commission with members from both houses of parliament and the cabinet to work out a compromise.

French scandal charity set back in relaunch bid

By Andrew Jack in Paris

One of France's leading cancer charities has been forced to tone down its first significant advertising campaign since it was shaken by corruption allegations at the start of this year.

ARC, the association for cancer research, is attempting to relaunch its image and boost donations which slumped after an investigation into claims that large sums of money given to the organisation in the past had allegedly been siphoned off for personal use by the former chairman and several close associates.

Advertising slots had been purchased on leading television stations for this weekend as part of a new fund-raising drive, but the campaign was almost cancelled after the broadcasters refused to carry ARC's message. The television companies said references in the advertising campaign to the "Crozemarie affair" were defamatory ahead of the trial of the former chairman.

Mr Jacques Crozemarie, ARC's founder and former chairman, has been interrogated repeatedly by Judge Jean-Pierre Zanotto, who has placed him in preventive detention. Eight more people are also under investigation. Allegations against Mr Crozemarie surfaced in Jan-

uary, when he was forced to step down as chairman and a new board for ARC was appointed in May as a commission designed to improve financial controls with the organisation.

ARC has launched a FF64m (\$13m) legal action for damages and interest against Mr Crozemarie, who is in hospital suffering from cardiovascular problems.

However, recent information suggests that the scale sums of money given to the organisation in the past had allegedly been siphoned off for personal use by the former chairman and several close associates.

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Avalanche of garbage reveals grim aspect of modern Spain

David White on La Coruña's battle with its mountain of waste

The scene is a modern-day Pompeii. A great heaving mass has poured down the valley swallowing sheds and vehicles and nearly burying a bar at the little fishing hamlet. But this is not volcanic lava, preserving ruins for posterity. It is garbage.

One morning a month ago, a middle-aged man from La Coruña, in north-western Spain, went to wash his car at a stream outside the city, and was last seen engulfed in 100,000 tonnes of refuse. It is the stuff of a horror film. With a huge roar, part of the giant tip overlooking O Portiño broke off, and a wall of rubbish 50m high slid down to the rocky Atlantic seashore.

The fishing port and nearby holiday homes now stand deserted. Two dozen trucks and diggers buzz around the great escarpment of refuse trying to stave off another slippage. After the event, fresh crevices emerged in the mountain of garbage. The whole 1m tonnes threatened to collapse into the ocean - an environmental catastrophe potentially more dramatic than the oil slick from the Greek tanker Aegean Sea, which ran aground at La Coruña four years ago, spilling 80,000 tonnes, twice as much as in Alaska's Exxon Valdez disaster.

Gulls swarm around the dump, lining the ridges. A pestilential stench has been churned up, sometimes car-

ried into the city by the wind. People have been buying masks for protection. Homes in the path of the avalanche were evacuated and 200 people moved out of a nearby settlement, a single street of rat-infested homes. Most are now staying in rough conditions in a city sports hall. But some have moved back. Maria Isabel Rodriguez Freire, 35 and illiterate, who returned with her seven children, says there is

Every day, 400 tonnes of rubbish are brought to the site

no danger. Her husband and eldest son earn a living combing the dump for scrap metal. "I like it here," she says, "maybe because I grew up surrounded by garbage." Like a stone being lifted, the avalanche has exposed an underside of modern Spain, a pocket of backwardness beset by an industrialised world problem - the ever-increasing amount of garbage people produce. A third of the refuse in Spain comes to sites like this, without facilities for drainage or evacuation of the gases produced by fermenting matter. Here in Galicia, Spain's green north-western corner, environmentalists say the proportion is 80 per cent. Every day, about 400 tonnes are brought to the dump. The site, run by a private company, has been operating

for 17 years, accumulating rubbish from the metropolitan area's 400,000 residents. Mr Francisco Vázquez, La Coruña's long-standing Socialist mayor and a member of parliament, says Ptas2bn (\$15m) is needed to make it safe, more than the city's annual investment budget. "We can never solve it on our own," he says, pointing out that the town hall shares the dump with 14 smaller boroughs. But the

Every day, 400 tonnes of rubbish are brought to the site

centre-right Popular party government has so far preferred to watch his reputation struggle with the smell of garbage. Ms Isabel Tocino, the ambitious environment minister, came to visit but said she would not be a fairy godmother. She suggested the city had to make do with European Union funds already pledged for converting the site into a park. Mr Vázquez, who wants La Coruña to take a pioneering role in new methods of waste management, says the risk of the whole dump collapsing is now almost eliminated. A stone retaining wall is being built, and machinery has been brought in from a nearby open-cast lignite mine. Rubbish, meanwhile, is being sifted in the search for the body of the unfortunate victim.

Austrians live in EU but do not love it

Voters grumble but are likely to elect pro-Europeans tomorrow, writes Eric Frey

Ever since Austria joined the European Union in January 1995 opinion polls have shown rising discontent with Brussels. If a referendum were held today, Austrians say they would vote against membership.

But when voters elect MPs to the European Parliament tomorrow they will probably not follow the example of Sweden, where anti-EU candidates won a majority in similar elections last year. A clear majority is expected to support parties that follow a pro-European course.

According to the latest surveys, the Social Democrats, the conservative People's party and the centrist

Liberal Forum could take up to 70 per cent of the vote - more than the 66 per cent who voted for EU membership in a referendum in June 1994.

EU membership has brought mixed consequences for most people. Prices came down because of lower farm support and greater competition, but not as much as hoped. Inflation is at its lowest level in decades but unemployment, though still comparatively low at 4 per cent, is creeping up.

The austerity budget in February has added to the discontent. In order to bring Austria in line with the convergence criteria for mon-

etary union the government cut spending on education and social programmes and raised various taxes.

Some companies are taking full advantage of new export opportunities but many sectors have been hit by a wave of business failures because of freer international competition. Along the border, hundreds of shops have been forced to close and the owners blame their fate on Brussels.

Farmers are hardest hit by EU policies. Austria used to pay higher subsidies, especially to small farmers in Alpine regions, but pay-outs would have had to be cut anyway under the rules of

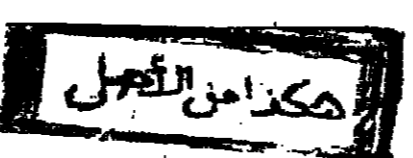
the World Trade Organisation.

Critics say that the coalition government of Social Democrats and the People's party oversold the benefits of EU membership to guarantee a positive vote at the referendum. For example, Chancellor Franz Vranitzky said Austria would be allowed to retain its popular anonymous savings account even though it clearly violated EU guidelines. The European Commission is now about to take Austria to court over this issue and is confident of winning.

This has exposed the government to harsh attacks by Mr Jörg Haider, the charis-

matic leader of the far right Freedom party. His campaign slogan "Election day is pay day" captures the mood of those voters who feel cheated by the EU. He also promises to fight the introduction of the euro, and criticises the government for paying too much into the EU budget.

But Mr Haider does not appear to be heading for the kind of victory that earlier polls had predicted. While his attacks on the EU, the influx of foreigners and the privileges of the political elite touched a chord among many people, his extremism deters them from voting for his party.



Conservative party conference: Effort to encourage handover of paramilitary weapons Premier accuses Adams over IRA bomb

By John Kampfer,
Chief Political
Correspondent

Mr John Major, the prime minister, yesterday accused Mr Gerry Adams of complicity in this week's bombing of the British army headquarters in Northern Ireland. Mr Adams is president of Sinn Féin, the political wing of the Irish Republican Army. Mr Major's statement came a few hours after it was announced that a British soldier had died of injuries suffered in the attack.

In the clearest sign yet that the British government had given up hope of tying the Sinn Féin leader into the

political process, the prime minister announced moves to increase the power of MPs who represent Northern Ireland districts.

Mr Major said at the Conservative party annual conference that he would consult other parties about giving the House of Commons grand committee of Northern Ireland MPs the same rights to question ministers as have been used by Scottish and Welsh MPs for the past three years.

The change will please anti-nationalist politicians in Northern Ireland who have been demanding greater autonomy for the region, but firmly within the UK. The

moderate nationalist Social Democratic and Labour party in Northern Ireland is likely to be worried about a possible return to the old view that a political solution could be confined to the region and not broadened to take in relations between the Northern Ireland and the Republic of Ireland.

Irish government officials, however, said they saw nothing in Mr Major's address that suggested a movement away from the position agreed with their government.

Mr John Bruton, prime minister of the republic, who on Wednesday likened the IRA to Nazis, returned to the

offensive yesterday, warning Sinn Féin that they could "not reserve for themselves the option of going back to violence".

In Belfast, hundreds of people attended a peace rally to mourn the death of warrant officer James Bradwell, the first British soldier to die in the province for two years. Mr Major said that "the IRA once again spat their hate at the British nation".

The prime minister said to thunderous applause: "Spare me your crocodile tears. Don't tell me this has got nothing to do with you. I don't believe you. Mr Adams."

While warning that Sinn Féin had "slammed the door on themselves by their own actions," Mr Major said the government would introduce immediate legislation removing obstacles to "decommissioning" of weapons held by paramilitary groups.

The bill, which ministers said could be passed by December, would provide independent observers, immunity from prosecution and other incentives for arms to be handed in by republicans and pro-British "loyalists".

By pressing ahead with the bill, the government is making clear a theoretical opening remains for Sinn

Féin to enter multi-party talks. In the light of the Lisburn bombing, however, the IRA will have to convince the British government that a second ceasefire is not purely tactical.

● A disabled man was in hospital in Northern Ireland yesterday with head injuries after being beaten with baseball bats, police said.

Two masked men attacked the 53-year-old at his home on Thursday night, beating him repeatedly about the head and body. Police believed that the motive for the attack might be sectarian.

Chill factor, Page 8

UK NEWS DIGEST

Boardroom reform urged

The UK's largest institutional investors should hold shares stakes of up to 19 per cent in approximately ten companies for up to ten years, Mr Neville Bain, chief executive of Coats Vytella, the textile company, argues in a new book on corporate governance.

He states that institutions should be able to nominate non-executive directors, perhaps on the basis of one director for each 10 per cent shareholding. There should be no more than 12 directors on a company's board, and there should be a majority of non-executives who would be separately recognised in law.

In *Winning Ways Through Corporate Governance* Mr Bain and his fellow author Mr David Band, head of the faculty of business at Leeds Metropolitan University, say they would like to see institutions investing "significantly in a relationship way".

Mr Bain and Mr Band say that companies which implement their recommendations could expect to see directors' basic salaries reduced by about 25 per cent on average, and the maximum pay out from an annual bonus limited to no more than 25 per cent of salary.

Instead directors would participate in a long-term bonus scheme which "would be paid over the five-year achievement with a maximum payout when really stretching targets are achieved of five times average salary over that time".

William Lewis

MARKS AND SPENCER

Late payment penalties threatened

The Marks and Spencer retail group has warned that it will exclude contractors from its £100m (\$156m) UK building programme if they mistreat and fail to pay sub-contractors on time. A letter sent to nearly 200 contractors, sub-contractors and consultants cautions that "account will be taken of the fairness of a supplier's business practices when awarding (future) contracts". The move reflects growing concern in business and government about the problems of late payment. Last month, the government launched a voluntary code for prompt payment.

Andrew Taylor and David Wighton

CURRENCY INVESTMENT

Company chief answers writ

The managing director of a Copenhagen-based currency company which has been ordered to close by Denmark and faces legal proceedings in the UK said yesterday he was "comfortable that things will be dealt with in an proper and orderly fashion".

Mr Jeremy Bartholomew-White made the comment after the UK's Securities and Investments Board issued writs in the High Court in London on Thursday, seeking an injunction against him and his company, Scandex Capital Management. The SIB alleged that Scandex had breached the Financial Services Act by offering unauthorised investments and by making misleading statements and cold-calls.

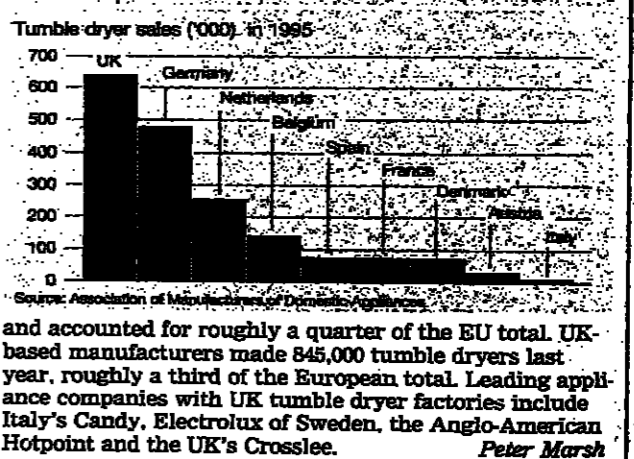
Clay Harris

MANUFACTURING

Tumble dryer sales lead Europe

Britain has become the tumble dryer centre of Europe, according to figures from the Association of Manufacturers of Domestic Appliances, a London-based trade body for the industry. In 1995 appliance makers delivered 643,059 dryers to UK retailers for sale to consumers. The figure was the highest for any European Union country.

All shook up



AGRICULTURE

Harvest 'highest for 10 years'

The 1996 UK cereal harvest could be the highest for 10 years and the third best on record, according to provisional government estimates. The crop is expected to total 24.4m tonnes of cereals, up 12 per cent on last year's total of 21.9m tonnes. The forecast is close to trade estimates, such as a prediction of 24.6m tonnes by Dalgety Agriculture, part of the agribusiness company.

The agriculture ministry said part of the reason for the increase was a rise of 4.8 per cent in the crop area planted due to the reduction in the amount of land set aside. The other main reason was a rise in yields, the highest ever according to the ministry.

However, large harvests elsewhere in the northern hemisphere have put pressure on world cereal prices and already the EU has switched from taxing to subsidising exports for cereals.

Maggie Urry

Delegates rediscover instinct for survival

Financial Times Reporters

Even the weather was kind to the Conservatives. Despite grim political and meteorological forecasts, the sun came out in Bournemouth, the south-coast seaside resort, and the party faithful returned home proclaiming it one of their most successful conferences for years.

Prospects at the beginning looked dismal. The pessimists predicted a week of internal feuding, with cabinet ministers jockeying for position in a post-election defeat leadership contest.

Yet the party rediscovered its survival instinct. By the end of the week the Tories had pulled off a remarkable achievement by appearing more united on Europe than the Labour party.

The conference may have been short on policy initiatives, but as Mr Michael Portillo, the rightwing defence secretary, declared, the policies that really mattered were "unity, unity and unity".

World trade: Proposing a target of global free trade by 2020, Mr Ian Lang, chief industry minister, said he would publish a paper setting out the government's vision ahead of a meeting of trade ministers in Singapore in December.

The government is particularly concerned to forestall moves to link trade with minimum labour standards and it is opposed to Labour's call that a "social clause" be written into all international trade agreements. Both the US and France have proposed that such a link be discussed in Singapore, a position supported by Sir Leon Brittan, the European Union commissioner who used to be a minister in Britain's Conservative government.

Mr Lang said Britain had led the way in taking down barriers in Europe through the creation of the single market which he described as "the real purpose of the European community".

"Now we must carry this

momentum beyond Europe. I want to see us champion free trade and remove protectionist barriers around the world."

Post Office: Mr John Major, the prime minister, was urged, after recent strikes by mail workers, to consider privatising the Post Office. "We are looking to make the Post Office more efficient," he replied. "Whether that means full-scale privatisation or introducing more private capital has still to be determined."

London Underground: Mr Major said he would like the London Underground railway to follow the national rail network into the private sector. Half of the national state network would soon be in private hands, and the privatised half had already proved a success. "I would like to see if we can apply these principles to London Underground."

Pornographic films: Mrs Virginia Bottomley, chief minister responsible for broadcasting, is banning



President Nelson Mandela of South Africa yesterday expressed sincere thanks to the British Labour party for its support in the struggle against apartheid. He spoke during a meeting with Mr Tony Blair, the Labour leader (above), who is on a four-day visit to South Africa. Mr Blair rejected accusations from Britain's Conservative party that he had arranged the meeting in an attempt to divert publicity from the closing speech to the Conservative conference by Mr John Major, the prime minister.

broadcasts of pornographic films to Britain from Rendez-Vous, a French satellite TV channel, by banning the smartcards needed to receive the station.

"As a politician and a parent, I will not tolerate gratuitous violence and filth on television."

Illegal drugs: Mr Tony Newton, leader of the House of Commons, commented on reports that Mrs Emma Bonino, the EU's commissioner for consumer affairs, had called for more liberal drug laws.

Mr Newton, who is in charge of co-ordinating a UK

government strategy against drugs, declared: "I can only say that I believe that would be a charter for drug dealers across Europe. Our answer is quite clear. We will not legalise any currently illegal drug, and I do not believe that we shall be alone in that view."

Row erupts over gas pipeline

By Chris Tighe and Jenny Luesby

A plan to pipe gas from the North Sea to England has provoked a row between Britain's leading chemical groups. The petrochemical arms of BP, Shell and Elf say the pipeline, which has yet to be approved by the British government's Department of Trade and Industry, is essential to their investments in the UK.

But Imperial Chemical Industries wants the pipeline project blocked on the grounds that it runs contrary to Britain's national interests. The ICI board, including Sir Ronnie Hampel, chairman, is understood to have raised the matter

with Mr Michael Heseltine, deputy prime minister, at a meeting on September 30. It argued that the issue was a matter of strategic importance to the UK.

The pipeline, planned by Elf, would take gas from the Elgin and Franklin fields in the North Sea to Bacton near the east coast of England.

From there, the gas would be exported through an interconnector pipeline to Zeebrugge in Belgium. Some of the gas would already have been sent to the Grangemouth petrochemicals complex, run by BP, in Scotland.

Grangemouth is connected by pipeline to Teesside in north-east England and to

the Scottish petrochemicals site run by Shell.

BP says that the wet gas, used to make petrochemicals, would be sent to Scotland down the Forties pipeline direct from the North Sea. From there it could be used at any of the UK's main petrochemical sites.

However, ICI, the Teesside development bodies and British Gas argue that if the gas was landed at Teesside, it could attract £1bn (\$1.56bn) of chemical industry investment over the next 5 years, creating 500 jobs.

They also suggest that the planned pipeline would be sending wet gas to France, instead of using it to attract investment in the UK. BP denies this.

BP also points out that if the gas was landed at Teesside, it would not be possible to share it with the other petrochemical sites. Furthermore, unless new investments were announced it would be superfluous to Teesside's requirements.

"It is quite wrong that the needs of Teesside should be pitted against Scotland once again, instead of working together," said Mr Bryan Sanderson, chief executive of BP Chemicals.

Teesside is ICI's biggest concentration of manufacturing assets in the world, and the group has been instrumental in promoting the area as an investment priority for the industry.

Brewers backed in EU dispute

By Neil Buckley in Brussels and Roderick Oram in London

Brewers in mainland Europe yesterday backed UK rules which help small brewers sell their cask-conditioned "real ales" through chains of pubs, an endorsement that might undermine European Commission efforts to widen the rules to include lagers.

"Real ale" is dark beer brewed by traditional methods and brought to the right condition in a cask.

"We believe the system works properly today," said Mr Rodolphe de Loos, secretary-general of the Confédération des Brasseries du Marché Commun. "If somebody produces this kind of beer in Europe, they can freely import it into [UK pubs]."

Acting on a complaint from a UK importer of beer, the Commission is seeking to broaden the provision for "guest beers". Established in Britain in 1989, it allows tenants of pubs "tied" to national brewers to offer a beer from another brewer, provided it was produced by traditional methods. The commission is concerned this discriminates against non-UK beers, virtu-

ally all of which are not cask-conditioned.

The UK government is threatening to drop the provision completely if the Commission forces it to include lighter beer from mainland Europe. Officials from the UK, the Commission and the European brewers' federation failed to reach agreement in a meeting yesterday in Brussels.

But the brewers undertook to provide more information on the impact of various changes to the rules. Commission officials said they believed agreement was possible by the end of the year.

This included basing the eligibility rules for guest beers on turnover or production thresholds, or on whether beer is pasteurised or unpasteurised.

The Commission insisted yesterday there was no question of forcing British pubs to include imported brews on their guest menus, or imposing a minimum number of non-UK beers.

One official said: "If people want to keep on drinking cask-conditioned ales nobody would force them to drink something different."

Lex, Page 24

Investors told: 'Be wary of bank'

By Norma Cohen in London

The Bank of England, the UK central bank, has issued a warning to UK investors about making deposits in Antigua-based European Union Bank, which is offering "privacy, confidentiality and security", in advertising on the Internet.

"As with any offshore deposit, we would advise any intending depositor to carry

out appropriate due diligence on the bank and to establish what, if any, deposit insurance is available," the Bank of England said in a statement.

EUB's advertisement on the Internet describes it as a provider of "multi-currency banking and financial services to clients throughout the world. With utmost privacy, confidentiality and security, EUB clients

receive excellent interest rates, offered in a stable, tax-free environment."

The advertisement notes that EUB "maintains the strictest standards of banking privacy in offshore business and financial transactions", and that Antigua's banking laws provide penalties for officers and staff who violate secrecy laws.

The Bank of England this week called in Lord Man-

croft, listed in EUB's Internet advertisement as chairman, for a discussion about the bank's activities.

Lord Mancroft, who is also deputy chairman of the British Field Sports Society and two drug rehabilitation charities, said he no longer had any connection with EUB. He said he had been a consultant although his contract expired at the end of September.

Single currency offers cash incentive

Profitable trade in euro coins highlights potential disunity of monetary union

As politicians squabble about a European single currency, a London company is exploiting an unusual business niche.

Pobjoy Mint, which produces commemorative coins, recently started issuing single-currency coins for British customers. Last year it produced euro coins for the Isle of Man which have legal status on the island.

The mint is now coping with an order for commemorative coins in the European basket currency, the Euro, for the Isle of Wight.

This has provoked some difficulty. For although the Isle of Man has unique status in the UK with its own parliament and laws, the Isle of Wight is only a county of England. Consequently, the UK Treasury yesterday said that it intended to prosecute the Isle of Wight for the "illegally" issuing coins.

But Pobjoy Mint, which has previously produced Ecu coins for Gibraltar, is nevertheless hoping other British and overseas orders will follow. "Interest in euro coins is definitely rising," said Mr John Smith of Pobjoy.

The coins are primarily commemorative. But their existence - and yesterday's lawsuit - highlight an intriguing constitutional problem the British Isles could face if the UK joined European monetary union after 1999.

Even if the UK replaced sterling with the euro, other British areas such as the Channel Islands would not necessarily follow suit. And choosing the design of a euro banknote could inflame nationalist passions - particularly in Scotland.

The problem is that there are currently several tiers of monetary responsibility in the British Isles. In England

and Wales, the Bank of England and Royal Mint issue notes and coins. However, Scotland has had the right since 1945 to print its own banknotes.

And British regions such as the Channel Islands, the Isle of Man and Gibraltar, which lie outside the UK, have the right to issue separate notes and coins. The euro coin that Pobjoy has produced, for example, is legally recognised on the Isle of Man and can be exchanged for sterling at an exchange rate that assumes one euro is equivalent to one unit of the basket currency, the Ecu.

If the UK joins Emu, this situation means the government will face some difficult design decisions. Although European governments have decided that each country can have a national symbol on its notes and coins, it could be difficult to include

both a separate regional symbol for Scotland, Wales or Northern Ireland and a national symbol for the UK as a whole.

But areas such as the Channel Islands between England and France pose an even more intriguing question. The Channel Islands, which are part neither of the UK nor of the EU, issue their own notes and coins backed by UK cash.

The amount of local currency circulating in Jersey, largest of the islands, is estimated to be worth £20m (\$46.8m). The islands' sterling reserves are collected partly by encouraging businesses and consumers to exchange their sterling holdings for notes and coins in the island currency.

If the UK stays outside Emu, the islands see little reason to change the status quo. But if the UK joins Emu, they will face a deli-

cate choice. The islands relish their independence: when Jersey recently tried to follow the UK by replacing the island's £1 note with a coin, the public blocked the move.

And the islands draw financial benefit from their unusual arrangement. Jersey, for example, uses the pool of sterling it collects by exchanging its currency to invest in gilts, yielding the island a profit of about £3m a year. As Mr Colin Powell, chief adviser to the States of Jersey, says: "The system has its attractions." The States is the island's elected assembly. If the UK joins Emu, Mr Powell believes the islands will have little choice but to form a monetary union with Europe.

This could create an interesting anomaly: the islands are not members of the EU except for the movement of goods. And it is not certain



how other European governments would respond to the prospect of territories deciding to call their notes and coins "euros".

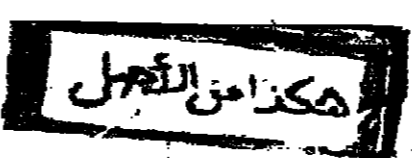
Nevertheless, the problem is not unique. Indeed, the British Isles' multi-tiered

system could, ironically, be a forerunner of the future for the rest of Europe after 1999.

Most European countries are determined to keep some national symbols on their future single currency. Consequently, the European

public could soon face a range of 'euro' cash that is even more diverse than the notes and coins now carrying the British Queen's head.

Gillian Tett
Philip Jeanne



COMPANIES AND FINANCE: UK AND IRELAND

Eurotherm plans boardroom shake-out

By Tim Burt
Eurotherm, the industrial controls group, is planning a boardroom shake-out to remove the non-executive directors who tried to oust Mr Claes Hultman as chief executive this year.
The group is searching for new non-executives and is shortly expected to make its first appointment.
Mr Richard Debridge, the new finance director of National Westminster Bank, this week became the first of the non-executives to resign.
Mr Sidney Taylor and Mr Rhys Williams, who backed Eurotherm's founder and former chairman Mr Jack Leonard against Mr Hultman, are expected to be next. Once replacements have been found, the company is also expected to announce the retirement of Mr Jim Hartnett, Mr Hultman's only non-executive supporter during this summer's month-long upheaval.
The clear-out follows the early retirement of Mr Leonard and the arrival of Sir James Haan, former chairman of Scottish Nuclear, as Eurotherm's new chairman.
It emerged, meanwhile, that Eurotherm has replaced ING Barings with Robert Fleming as its financial advisers.
Barings, which advised the board over Mr Hultman's removal, was said by some insiders to have exacerbated the boardroom split.
The row broke out after Eurotherm's non-executives voted to remove Mr Hultman. They claimed he had demanded to be made executive chairman - a suggestion which the Swedish-born director denied.
Mr Hultman was reinstated and Mr Leonard took early retirement following a protest campaign by institutional investors, who credited the chief executive with the group's five-year revival. According to Mr Hultman, the row was fuelled by differences over future strategy. He maintained that Mr Leonard was against a plan to "cast the strategic net much wider" by seeking bolt-on acquisitions.
The company last week made its first such acquisition, paying \$1m (£600,000) for Research Incorporated's Dimension product line of multi-loop temperature controllers.
Officials hinted it was considering other small bolt-ons, mainly involving privately-owned component manufacturers.
Industry analysts believe Eurotherm can fund that drive through strong cash generation, with net cash expected to exceed £40m this year.
Mr Mark Davies Jones, of Salomon Brothers, said: "The group clearly has the resources in terms of financial strength and management ability to expand its operations."

NEWS DIGEST

Plunge in Airflow Streamlines shares

Shares in Airflow Streamlines, the vehicle body maker and car and truck dealer, plunged 70p to 185p yesterday, as the Northampton-based group warned interim profits would fall below expectations.
The group, which was expected to deliver pre-tax profits of £2m (£2.96m) in the six months to August 31, said profits were more likely to be about £1.2m.
Mr William Cowley, chairman and chief executive, said operations in the production division, which makes cabs for customers such as Caterpillar and JCB, the construction equipment makers, had been disrupted by the introduction of a new model for Caterpillar.
Mr Cowley said the new model required a "complete change of facilities, re-training of labour and other contingencies" which had disrupted production for longer than expected.
The cost of the project, originally estimated at about £400,000, may have risen as high as £1m.
Mr Cowley said the delays had continued into the second half, but improvements were being made. He said once the wrinkles were smoothed, the new model would bring long term revenues.
Mr Nigel Harrison, of house broker Williams de Broë in Birmingham, said interim pre-tax profits would have been lower anyway because they were unusually high the previous time and the costs associated with the model change were being written off as incurred, rather than amortised over the life of the vehicle.
He forecast full year pre-tax profits of £2.5m, compared with £2m in the year to February.
Motoko Rich

Baillie sold Sainsbury stake

By Peggy Hollinger, Steve Thompson and Lisa Wood
Baillie Gifford, the Edinburgh-based fund manager, has emerged as the mystery seller which shed a 1.7 per cent stake in Sainsbury this week.
The disposal of 30m shares, and news of substantial profit downgrades from two leading London stockbrokers, helped further depress the supermarket group's shares. They fell 84p to 355 1/2p on the day of the sale and yesterday declined to 352p. Neither Baillie Gifford nor Sainsbury would comment.
Although the identity of the buyer remains secret, it is believed to have been an existing shareholder. Speculation centres on PDM.
In the past, PDM has not been afraid to buy supermarket shares in the face of profit downgrades and tough trading conditions. When Baillie Gifford pulled out of Tesco in 1993, it took the stake of 27m shares. Since then, Tesco's shares have outperformed the sector by 31 per cent.
Brokers are not convinced that PDM will be able to repeat its success.
Mr Paul Smiddy, Credit Lyonnais Laing's food analyst, expects Sainsbury's interims, due on October 30, to be "appalling" and argued its sales were vulnerable to more aggressive competitors.
"The rating still clings to the outmoded concept of Sainsbury being the market leader with the strongest brand," the broker said this week. "We continue to believe that its still excellent sales densities are very vulnerable longer-term." It cut its forecast for the current year to £718m from £767m to £718m for the current year.
NatWest Securities, meanwhile, claimed the costs of the recently introduced Reward Card had not been covered by an accompanying lift in like-for-like sales. It cut its forecast for this year from £750m to £725m.
Sainsbury shares have underperformed the sector by 10 per cent over the last year. Many question whether the group has a concrete strategy to differentiate itself in a mature market. Sainsbury has argued its strategy is to focus on quality and value.



Lot of bottle: John Kelly, (left) financial director, and Tim How, chief executive. The flotation proceeds will fund expansion

Majestic uncorks £20m Aim float

Majestic Wine, the drinks warehouse chain, which claims to be one of the UK's largest retailers of bubbly with almost 6 per cent of the champagne market, is coming to Aim next month in a placing expected to value the group at about £20m.
Majestic will be seeking to place about £4m worth of shares, about half of which will come from existing holdings and half from the new issue.
Mr John Aphorpe, chairman, whose Wizard Wine bought Majestic in 1991, will control about 70 per cent of the group following the flotation.
He and the other main shareholders have agreed not to sell any shares until June 1998, when Majestic is due to publish its second set of accounts as a listed company.
The group, which caters to the wants of the growing number of wine aficionados in the UK with all-day tastings and free delivery, has some 59 warehouses. It plans to use the proceeds of the flotation to expand at a rate of about eight a year.
Sales last year rose by 16 per cent to £40.1m, and pre-tax profit excluding exceptional items rose by 70 per cent to £1.24m. Pro forma earnings per share rose from 6.61p to 9.74p.

Tax change will not alter LAL bid

By George Graham, Banking Correspondent
Lloyds TSB will make no changes to its £1.7bn offer for the minority shares in Lloyds Abbey Life, the life insurer in which it already owns a 62.6 per cent stake, despite being caught out by the Treasury's announcement of new tax rules for special dividends.
Lloyds is offering six of its own shares plus £21 cash for every seven LAL shares. The cash component includes a special dividend of 50p a share to be paid by LAL to its shareholders after the takeover. Lloyds will receive £11.5m as a special dividend.
When the bid was announced last month, Lloyds expected that tax exempt investors such as pension funds would be able to reclaim advance corporation tax on this special dividend. Accordingly, the offer would be worth an additional 12.5p a share to them.
But Mr Kenneth Clarke, chancellor of the exchequer, announced this week that he would change the tax rules to cancel these tax credits for share buy-back schemes and special dividends linked to takeovers or share issues.
After the announcement Lloyds met with its lawyers and corporate finance adviser, Barings, but in detailed offer documents sent to shareholders yesterday it left the terms of its offer unchanged. "Lloyds TSB are satisfied it is still a good deal," the bank said.
Ms Laurel Powers-Freeling, LAL's finance director, said the company had had to consider the effect of the tax change on its shareholders, but concluded it affected only a few investors.
It is not clear how many tax-exempt shareholders will lose out on the tax credit but the total effect on the value of the offer is not thought to be more than 15p.
At yesterday's closing price for Lloyds TSB shares of 407 1/2p, the bid values LAL shares at 649p and the entire company at £4.53bn.

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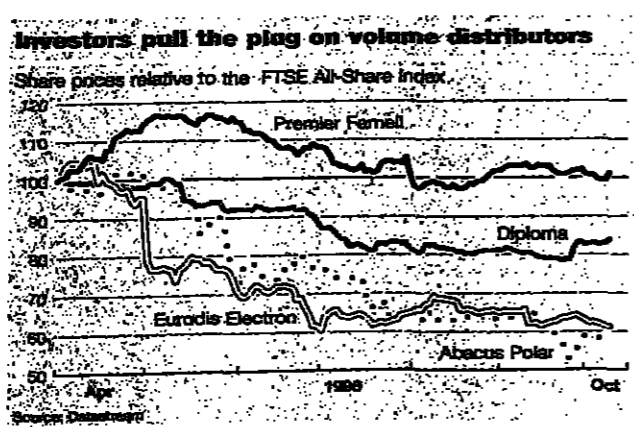
Alpha Airports hit by fall in catering

By David Blackwell
A sharp fall in catering profits hit Alpha Airports at the half-way stage, knocking group profits down almost 11 per cent.
The airline services group, in which Granada has a 25 per cent stake following the Forte takeover in January, reported pre-tax profits of £10m for the six months to the end of July, down from £11.2m.
Mr Paul Harrison, chief executive, said the results were disappointing but not surprising given the tough conditions in the airline catering industry, expected to persist into the second half.
Catering profits fell 37 per cent to £4.3m on increased sales of £109.3m (£105.3m). Losses at the US arm, which was sold last month for £6.8m, increased from £500,000 to £1.8m.
Mr Harrison said the group would now focus on its UK airline catering operation, which has almost half the market. He would be disappointed if planned cost reductions did not lead to a better second half, "but there are no easy solutions".
Turnover jumped from £248.8m to £232.2m, including a first six months contribution of £50.4m from DynAir, the US baggage and cargo handling and aircraft refuelling specialist. Profits from the acquisition were in line with expectations at £3.6m.
Operating profits in the retail division edged ahead to £5.1m (£5m) on turnover being pursued, prospects were "largely dependent on an improvement in the aluminium and copper markets".
Sales slipped from £49.5m to £45.6m for the six months to June 30. The interim dividend is passed (6p).

A rare spark amid the gloom of electronic components?

It has been a torrid summer for the UK's electronic component distributors. A slump in semiconductor prices has affected other components, hitting distributors of bulk supplies to large customers particularly hard.
Among the "volume" distributors, recent months have seen poor results from Diploma, while Abacus Polar and Eurodis Electron have both issued profit warnings.
Not surprisingly, the groups' shares have declined in price. Analysts have cut profit forecasts. Against a 6 per cent rise in the FTSE All-Share in the past six months, Abacus shares have almost halved, Eurodis has declined 37 per cent with Diploma down 15 per cent.
Amid the rash of red pens, Mr Howard Poulson, chief executive of Premier Farnell, might be forgiven a smug smile. Earlier this year, as Farnell Electronics, the group polarised City opinion and prompted a widely publicised shareholder revolt as it launched an audacious £1.85bn (£1.18bn) agreed bid for Premier Industrial Corporation of the US, a company twice its size.
There was concern over the merged company's debt, filtration to earnings and the Wetherby-based management's ability to run the world's third largest electronic component distributor. But these were countered by Mr Poulson and his team as a one-off opportunity to buy critical mass in a fragmented industry.
But the purchase also had the effect of lowering Farnell's exposure to the volume market, as Premier is concerned purely with distributing components via catalogues, mostly to small businesses. This is a higher margin operation than volume, while the variety of components has offered pro-

Christopher Price looks to Premier Farnell's results



tection against the semiconductor downturn.
Prior to the merger, about a third of Farnell's revenues were derived from the volume business. Now, about 85 per cent of Premier Farnell's revenues are drawn from catalogue distribution.
It is an important distinction and while the company has suffered cuts to profit forecasts in recent weeks, the revisions have not been of the magnitude seen for the pure volume distributors. As a result, its shares, although buffeted by continuing concerns over the merger, have managed to maintain their value of six months ago. Electrocomponents, a purely catalogue business, has seen its shares rise 10 per cent in the same period. Mr Poulson says the more cyclical nature of the volume business was a reason for the Premier purchase. "This deal improves the quality of our earnings."
However, with the jury still out on the deal, analysts will be looking to the group's interim results on Monday for evidence of the integration of operations.
Mr James Heal of Hoare



Howard Poulson: 'improved the quality of earnings'

Govett, one of the company's sharpest critics, believes the US purchase is increasingly looking like a defensive move in the face of margin pressure in the volume business and a slowdown in the European catalogue business. "This raises yet more questions over the price they paid for Premier," he says.
While agreeing the short-term outlook is dull for both company and the sector, Ms Sus Cox at UBS says the long-term outlook for Premier Farnell is positive, particularly if it can exploit its dominant position in introducing incremental revenue streams and catalogues.
"This year was never going to be a bonanza, given the controversy surrounding the deal, the hit to chip prices and the European trading situation. But on a 12-month view there could be a tremendous buying opportunity here."
Profit forecasts for the company, which were cut by between 7 and 18 per cent recently, are clustered around £63m for the half year. This compares with £36m at the same stage last year, but with the business of that period bearing little resemblance to that of today.
For the full year, profits of about £145m are forecast. This puts the shares on a prospective p/e of over 19 times - a 35 per cent premium to the market and at only a slight discount to Electrocomponents. But this falls to 16.3 for Premier Farnell in the year to January 1998, and to 13.5 in 1999. The corresponding figures for Electrocomponents are 21.5, 19.1 and 17.1.
"Given the worsening earnings outlook and the risks associated with integrating Premier, a market rating would be more appropriate," believes Mr Heal.
Attention will also be focused on the company's search for a new chairman following Mr Richard Hanwell's decision to step down at the end of the year. Mr Poulson refuses to give many clues, except to say the short-list is down to five and he would prefer somebody with a City profile.
Given the division of opinion in the Square Mile, the appointment will be a crucial one.

A Cohen dives into red

Shares in A Cohen were marked down 150p to 365p yesterday after the non-ferrous metal ingot maker revealed a turnaround from a profit of £1.8m to an interim pre-tax loss of £414,000.
Directors said that while cost cutting measures were

Haymarket buys motor titles

Haymarket, the UK magazine publishing group, has bought the privately-owned Motor Sport group of magazines for a sum believed to have been £8m. The Motor Sport monthly has been published for 60 years and the sale includes the tabloid Motoring News.
Haymarket secured the deal in the face of opposition from both Emap and a group of private investors.
Raymond Snoddy

Russian option for Ovoca

Ovoca Resources, the Dublin-listed exploration company, has secured an option on a 50 per cent interest in four oilfields in the Uvat area of western Siberia, Russia. The oilfields contain reserves in excess of 500m barrels.
The consideration involves Ovoca issuing 2.1m shares for the grant of the option. Exercise involves it issuing 37m shares to the vendors.

Cliveden buys Bath hotel

Queens Moat Houses has exchanged contracts with Cliveden for the disposal of The Royal Crescent Hotel, Bath, in a cash deal worth £8.5m.
The sale, which needs shareholder approval, is part of Queens Moat Houses' refocus on core assets. Proceeds will be used to reduce debt and to fund working capital.
The Royal Crescent Hotel made £635,000 profit in the year to December 30, when net asset value was £6m. It has since acquired a neighbouring property and the market for hotel transactions - and its own performance - has improved. This week James Lang Wootton, the chartered surveyors, valued it at £8.5m.

Pilkington delists in Germany

Pilkington, the glassmaker, yesterday ended its listing in Frankfurt and Düsseldorf. It said the number of shares traded had been small since the facility was introduced in 1989.
It is now listed only in London.

Table with columns: Company, Turnover (£m), Pre-tax profit (£m), EPS (p), Current payment (p), Date of payment, Dividends (p), Total for year, Total last year. Includes companies like Alpha Airports, Campbell Airtronic, Cohen (A), Select Appointments, Tullow Oil, Wessex, Investment Trusts, Garbarnoe British, Jove, Voyageur European.

COMPANIES AND FINANCE

Pharmacia shares slide 12% on profit warning

By Hugh Carnegie in Stockholm

Shares in Pharmacia & Upjohn, the Swedish-US pharmaceuticals group, tumbled almost 12 per cent yesterday after the company issued a surprise profits warning.

P&U formed a year ago by the merger of Sweden's Pharmacia with Upjohn of the US - said adverse currency developments meant third-quarter earnings would be close to the 44 cents per share pro-forma result

achieved during the same period last year. Analysts had expected earnings as high as 55 cents per share.

Although the company said it expected fourth-quarter and full-year earnings to be ahead of the 1995 performance, P&U shares fell as low as SKr237 in Stockholm - a 14 per cent decline on the opening price of SKr275.50 - before recovering to close at SKr243.50, a fall of SKr32 on the day.

The profit warning unnerved investors, who greeted the creation of P&U,

one of the world's top 10 drugs companies, as a welcome example of rationalisation within the industry.

Profits in the first half were burdened by heavy restructuring charges. Sales were also flat. But lower running costs as a result of the merger showed through, lifting profits before restructuring charges, and many analysts were expecting stronger overall performance in the last two quarters, with even bigger cost-cutting gains over the next two years.

"The long-term thesis seems intact," said Mr John Reeve, pharmaceuticals analyst at Paribas in London. "But confidence is fragile after this warning. It's going to take a good performance in the fourth quarter to win back full confidence."

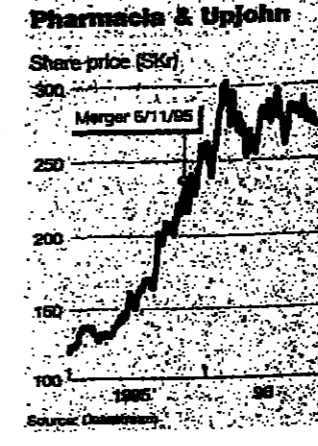
P&U blamed the setback on the weakness of the Japanese yen against the dollar and the recent strengthening of the Swedish krona and Italian lira. The group has high sales and relatively low costs in Japan. But in Sweden and Italy, where almost

half of its production and research is based, it has high costs and relatively low overall sales.

Mr Robert Salisbury, chief financial officer, said currency hedging in the first half had contained the effects of currency movements, but this had run out in the third quarter. "We realised that the impact was more negative than we had expected."

The company added that sales, net of currency effects, were up just 2 per cent in the third quarter.

But Mr John Zabriskie, chief executive, said P&U's overall strategy remained on track. It plans savings worth \$500m by 1998, chiefly through a big cut in staff numbers. The workforce has so far been reduced by 3,000, with a further 1,500 to go.



Nusamba looking to buy Astra stake

By Manuela Saragosa in Jakarta

Concern is growing over the future of Astra International, Indonesia's largest car assembler, following a report that a fund management company linked to the presidential family wanted to invest in the company.

Mr Mohammad Hasan, the powerful timber tycoon who is also a commissioner of Nusantara Ampers Bakti (Nusamba), a Suharto family-linked fund management company, was quoted in a local paper as saying the fund wants to buy Astra shares.

The report comes after Hanjaya Mandala Sampoerna recently acquired a 2.85 per cent stake in Astra and Sampoerna's controlling shareholder, Mr Putera Sampoerna, revealed he had bought a 9.8 per cent stake.

The acquisitions surprised investors because Sampoerna had not indicated it intended to diversify into car assembly. This led to speculation that the company and Mr Sampoerna were acting as a front for the entry of politically powerful new shareholders.

Fund managers and analysts are still trying to piece together possible scenarios for Astra, including a possible break-up of the company.

The uncertainty highlights once again how minority shareholders in Indonesia are left on the sidelines by the internal machinations of listed companies controlled by politically well-connected majority shareholders.

Mr Hasan described Astra as a "healthy company", even though the heavily geared car assembler faces increasing competition from the "national" car.

President Suharto's youngest son, Mr Hutomo Mandala Putra, has been awarded tax and tariff breaks not available to other car makers to produce the "national" car in co-operation with South Korea's Kia Motors.

Mr Hasan said Nusamba had already approached several investors holding Astra shares and that the fund was seeking a long-term interest in the company.

CNP awaits green light on float

By Andrew Jack in Paris

Caisse Nationale de Prévoyance, the French state-owned life assurance group, yesterday expressed its desire to be partially privatised by as soon as next year.

Mr Pierre Darnis, chairman, said all the preparations for a sale of one-third of its capital had been made by the group, and it simply awaited "the green light" from the ministry of economics and finance.

"We have been waiting for three years. I hope that 1997 will be the right year," he said. "Our introduction to the stock market is a necessity for a company that has achieved the size and power of CNP."

CNP also announced it would next week begin an experiment with direct marketing with a life assurance product called Tendravie, targeted at parents with young children.

The development is significant because critics of CNP's privatisation have argued that until now it has not created its own distribution network for insurance contracts, but relied instead on agreements with agents and intermediaries including the post office and the Caisse d'Epargne savings network.

CNP refused to set objectives for the new direct marketing approach - a technique which has also been adopted by other French insurers with limited success - but Mr Darnis said earlier this year that he did not expect such an approach to generate more than FF11bn (\$193m) in annual premiums.

A second criticism of CNP which was conceded by Mr Darnis yesterday is that half of its employees have the legal status of civil servants, which would make any attempt to cut job numbers very difficult.

He also said the group needed to be recapitalised ahead of a sale, and there had been disputes with the state over how to calculate the amount required.

In addition, the group's privatisation is believed to have caused tensions with the state-controlled Caisse des Dépôts et Consignations, which owns 30 per cent of the capital.

CNP also announced yesterday a 36 per cent jump in premiums to FF53.3bn for the first six months of the year, while net profits rose 4 per cent to FF741m.

The group said that overall, the French market for life assurance had performed far better than expected during 1996.

Car makers fight it out on French market

Manufacturers deny that the long-running price war threatens profitability, writes David Owen

The makers of France's top-selling car marque did not even wait for the government to withdraw its big guns before firing a new salvo in the French car market's long-running price war.

The government's latest incentive scheme for car buyers still had five days to run when Renault - which manufactures more than one in four of the cars sold in France - unveiled its new "commercial policy". This aims to give customers better value for money by cutting the price of some cars by between 2.5 per cent and 3 per cent, by offering more accessories on others without corresponding price increases, and by simplifying its product ranges.

Renault's move has already been followed by many of its competitors. Peugeot has cut the price of its mid-range 306 and 406 models by an average of 5 per cent and 6.5 per cent respectively. Citroën's prices have fallen, on average, 1 per cent across the range. And Italy's Fiat,

which has had the strongest growth of any leading manufacturer in France this year, cut the price of its Punto two-door hatchback model by as much as 13.5 per cent.

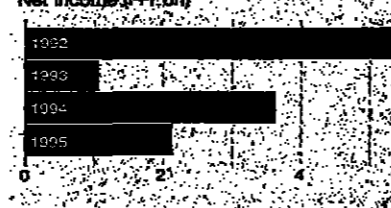
Given that the price war was already supposed to have reduced prices to cut-throat levels, the latest initiatives have prompted some to ask whether car makers have succumbed to a fit of autumn madness.

Renault's car division, after all, was already FF911m (\$176.2m) in the red in the first half, while Peugeot's net profits for the same period were down more than 50 per cent from 1995. Do manufacturers stand any chance of making new cuts in France once these new cuts are taken into account?

The car makers themselves are adamant that the answer is yes. "We have a good level of profitability on the French market," says Mr Loïc Caperan, sales and marketing director for Fiat, which has seen registrations in the first nine months of 1996 jump more than 50 per cent. "We do not engage in

No more fortress France

Renault Net Income (FFr bn)



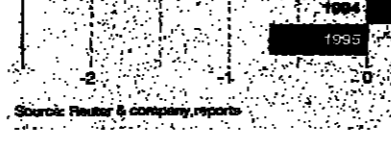
PSA Peugeot Citroën

Net Income (FFr bn)



Citroën (subsidiary of PSA Peugeot Citroën)

Net Income (FFr bn)



Sources: Renault & Company reports



dumping," he adds. Peugeot Citroën's comments in similar vein that it "certainly intends to remain profitable".

What is perhaps more surprising is that industry analysts tend to agree, although they say French manufacturers will be able to rely less in future on "fortress France", where they have often charged higher prices than their main competitors for comparable products.

products, the price level should be able to support some level of profitability," said Mr John Lawson, motor industry analyst at Salomon Brothers in London. "But not the level they have been used to."

Analysts point to several reasons why the consequences of the latest round of price cutting may not be as severe as is widely feared. First, it is far from clear whether recent cuts in sticker prices will lead to similar reductions in the prices at which vehicles

are actually being sold.

By many accounts, the French market over the past year has allowed plenty of scope for discount hunters and hagglers, with the FF5,000-FF7,000 government incentive for buyers trading in a vehicle at least eight years old often matched by dealers and manufacturers.

"The gap between sticker prices and transaction prices is probably at an all-time high," says Mr Christopher Will, an analyst with Lehman Brothers. "To some extent this is an attempt to narrow that gap."

"Manufacturers are hoping the margin between list price and transaction price does not remain the same," concurs Mr Lawson. "It is a gamble."

Mr Will thinks the French manufacturers' sticker price reductions are partly a "PR effort" to persuade consumers, who have now realised that foreign cars are cheaper than French cars, that French car prices are coming down, even if they are not.

"At Peugeot Citroën there is a lack of belief that in real terms Renault can be materially cutting its average French prices," he says.

Fiat's approach, by contrast, has been to promote the "net price" - a price that is available to all customers but which will not be further discounted. According to Mr Caperan, this helps to prevent customers from thinking they have not had the best deal. "When they compare with their friends, the price they have paid is the same," he says.

continuing their efforts to rein in costs. Peugeot Citroën says the effect of the latest price cuts will be offset by higher sales volumes and lower commercial costs. Renault, meanwhile, expects the simplification of its product ranges to lead to big cost savings.

Third, it looks as if currency movements are beginning to move in favour of the two main French manufacturers after a long period when they worked against them and the advantage of rivals such as Fiat. This, along with the effect of lower interest rates, helped to explain Peugeot Citroën's upbeat comments last month about its second-half prospects.

According to Mr Will, this trend is likely to give the French manufacturers "more pricing leeway". "Can they afford to cut transaction prices relative to a year ago? Yes they can," he says.

The exceptionally high third-quarter sales volumes achieved by nearly all manufacturers - albeit at kept prices - may also have helped to give companies more leeway. September was particularly striking with 216,500 car registrations - an increase of no less than 85.7 per cent on a year ago.

Renault last month confirmed it expected to incur a full-year loss, partly because of the downturn at its commercial vehicles unit. But, according to Mr Will, it would be "difficult to believe Renault's car division did not make money in the third quarter, because volumes were so strong".

Philips in LCD joint venture

By Michio Nakamoto in Tokyo and Gordon Gram in Amsterdam

Hosiden, the Japanese maker of electronic components, and Philips Flat Panel Display, a subsidiary of the Dutch consumer electronics company, have agreed to set up a joint venture to manufacture liquid crystal display panels.

The two companies will have equal interests in the new enterprise, which will take over Hosiden's entire LCD operations in Japan upon establishment next April. LCD panels are used widely in notebook PCs and other media that require flat panels.

The move marks a consolidation in the LCD industry, which has been shaken recently by a sharp decline in the price of thin film transistor LCDs, which Hosiden manufactures.

Last year, amid a worsening supply and demand balance, the price of TFT-LCDs fell to about half their previous level, a Hosiden representative said.

The alliance also highlights the difficulty Philips has faced in trying to build a European LCD capability. The LCD market has been dominated by Japanese manufacturers such as Sharp, and western companies which belatedly entered the market have had found it difficult to compete.

Philips said it had for some time been seeking a partner in east Asia to produce LCD panels using the thin film transistors which have become the industry standard. It currently supplies active matrix LCD screens - for computers, measuring equipment and car navigation systems - which are driven by its own diode technology.

"We have a good system and we believe in it, but the problem is that we have to do everything ourselves," said Mr Joep Crolla, a Philips official.

Hosiden, for its part, has found it increasingly difficult to invest the huge sums necessary to keep up in a highly advanced technology sector where the collapse in prices has coincided with a shift in technology to screens larger than previously possible.

"To keep up with the R&D and the capital spending necessary as the market shifts to increasingly large screens would have required more money than is possible for one company like Hosiden," Mr Crolla says.

that requires the ability to invest huge sums," he said.

Hosiden is moving two of its LCD facilities in Japan to the new company and will devote its energies to its remaining components businesses. In addition to the funds that Philips will bring to the new joint venture, the Dutch company will provide a direct customer for the LCD panels that will be produced.

Unlike most other LCD makers, which also manufacture finished products and can therefore use the LCD panels they produce in those products, Hosiden has had to find customers for its LCDs.

The joint venture means that Philips' current method - which was developed in-house - of illuminating the screens, will form a diminishing part of its operations in the sector. It may eventually remain only for special applications.

Huhtamaki climbs 42% despite sluggish sales

By Greg Motvor in Stockholm

Huhtamaki, the Finnish confectionery and food packaging group, shrugged off sluggish sales to report a 42 per cent rise in eight-month profits.

Pre-tax earnings increased from FM201m to FM286m (\$62.58m), although turnover fell from FM5.2bn to FM5.1bn because of brand discontinuation, soft demand in the US confectionery market and lower prices for food packaging. Earnings per share rose from FM4.90 to FM6.78.

Huhtamaki said full-year profits would show a "clear improvement" on 1995, its most-traded I shares rose FM1 to FM168.

Its improved profitability to lower net losses from associated companies, chiefly the loss-making collectable sports card business which it sold in April to Finnacelle Brands of Texas. Group costs fell 11 per cent owing to a restructuring of core operations which followed the sale.

Mr Timo Peltola, Huhtamaki chief executive, said the group would focus on growth in eastern Europe and Asia. He said Huhtamaki was pursuing new joint ventures which would establish Leaf, its confectionery brand, in 18 Asian countries.

An improvement in operating profits at Leaf lost momentum, Huhtamaki said, because of low sales and an unfavourable product mix in North America. Sales

in the division fell from FM2.85bn to FM2.79bn but were flat in Europe.

The decline in sales was due to a 5 per cent fall in North America, caused chiefly by weak demand for the Jolly Rancher fruit candy brand.

Earnings at Polarcup, the food packaging division, developed at a "satisfactory" rate, but lower prices for raw materials and finished goods resulted in only a 3 per cent increase in sales, from FM1.71bn to FM1.76bn, in spite of healthy volume growth.

Sales at Leiras, the pharmaceutical subsidiary sold to Schering of Germany last month for FM1.4bn, increased from FM549m to FM561m. Profits were also higher than last year.

Airtours touts packages to Californians

By Scheherazade Daneshkhu, Leisure Industries Correspondent

Airtours, the UK's second largest tour operator, is introducing the budget British package holiday to California as part of its strategy of overseas expansion.

The company has formed Sunquest Holdings, a new tour operating subsidiary based in Los Angeles.

Mr Harry Coe, deputy chief executive, said the

company would promote the concept of the package holiday to American holiday-makers, and indicated that further US expansion was likely.

"People would be surprised if this represented the limit of our ambitions in North America," he said.

It is believed that Airtours chose the start-up option after failing to agree a price in takeover talks with either of California's largest holiday operators - Pleasant

Hawaiian Holidays and Sunquest Holidays in the US.

Sunquest Holidays will be headed by Mr John Trickett, nephew of Mr David Crossland, chairman and co-founder of Airtours. Mr Trickett has been vice-president of operations at Pleasant Hawaiian Holidays for the last seven years.

Carnival Corporation, the Miami-based company which took a 29.5 per cent stake in Airtours in April, is not involved financially, but has

given help with logistics. Sunquest Holidays will form part of a new Airtours division, the North American Leisure Group, to be based in Toronto and managed by Mr Leo Desrochers, chief executive officer of Airtours' Canadian tour operations.

Airtours initially expanded into Canada last year with the £37.6m acquisition of Sunquest Vacations, a privately-owned Canadian tour operator.

and there were no plans to own a airline in the US.

Mr Heavey said that a \$30m (£19.2m) development programme this year would be two-thirds funded from cash flow. Sales rose 25 per cent to £2.88m (£2.3m) in the six months to June 30.

Mr Heavey said this figure will be "insignificant" when production from Pakistan

Melrose directors' pay jumps

By Jane Martinson

Total remuneration for directors at Melrose Energy, the UK-based oil and gas exploration company, jumped from £136,000 to £238,000 during a year in which two new managers joined the board and an executive director retired.

The biggest step-up in pay was for Mr Robert Adair, deputy chairman and founder, who received a total pay package of £233,000, up from £39,000 in 1995. The company said Mr Adair, the largest shareholder with 64.2m shares, had been "paid short" for a number of years.

Mr Simon Pendock, who retired as finance director last December, was paid £190,000 including £35,000 compensation for loss of office and a £110,000 one-off pension contribution.

The company's pre-tax profits rose to £12.9m (£5.65m) in the year to June.

Campbell acts on debt mountain

By John Hamilton

Campbell & Armstrong, the shop fitting and displays company, yesterday urged its shareholders to accept a series of measures to cut its £7.8m bank debt, to continue trading.

National Westminster Bank, the leading creditor, has agreed a series of debt-for-equity swaps worth £2m, writing off £2.5m.

A placing of 65m shares at 5p with institutional investors, underwritten by Henry Ansbacher, will raise a further £2.77m.

A capital reduction scheme will eliminate an accumulated deficit of £5.5m on the profit and loss account.

taken place too late for there to be any significant improvement in the current financial year.

Campbell also announced deeper losses of £1.69m (£990,000) for the six months to July 31. It also revealed a sharp swing into the red for the 13 months to January 31, with losses of £7.98m compared with profits of £202,000 for the previous 12 months.

Campbell said it had extended its year-end from December 31 to include the effect of Irwin's, the group's construction business which went into receivership in January. Irwin's, responsible for just under half of the group's 1995 turnover of £72.3m (£60.7m), incurred operating losses of £1.61m.

The shop fitting and refurbishment division, identified interim operating losses of £440,000 (profits £550,000), while the lighting and display division trimmed its operating losses to £250,000 (£280,000).

Tullow Oil 43% ahead as production rises

By Jane Martinson

Higher production in Senegal and the UK helped Tullow Oil, the Irish oil and gas exploration and production company, lift interim pre-tax profits 43 per cent to £1.2m (£1.28m).

However, the shares fell 8 1/2 to 9 1/4, as the Dublin-based company reported disappointing results from a drilling programme in Pakis-

tan. Mr Aidan Heavey, managing director, said the company had downgraded its reserve estimates after two wells had proved commercially unviable.

The focus of its drilling programme would move to other exploration areas, both in Pakistan and elsewhere, he said.

"It's not good news. But it means that we can now concentrate on different parts

of the development." While Pakistan would remain the main focus of the company's attention, it intends to intensify an "aggressive exploration programme" in Syria, Senegal, Egypt, Bangladesh and the Czech Republic.

New licences are also being finalised in India and Bangladesh.

The company raised £30.3m with a 1-for-5 rights

issue in June for further exploration, particularly in Pakistan.

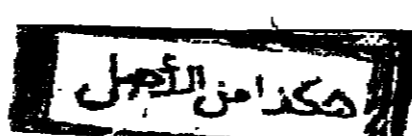
Mr Heavey said that a \$30m (£19.2m) development programme this year would be two-thirds funded from cash flow.

Sales rose 25 per cent to £2.88m (£2.3m) in the six months to June 30. Mr Heavey said this figure will be "insignificant" when production from Pakistan

and Syria starts during 1997.

Operating profits rose 42 per cent to £1.22m (£982,905) after a fall in administration costs and depreciation charges. The company pays no tax, chiefly because its exploration costs are written off.

Earnings per share were 0.64p (0.47p). The company has yet to pay a dividend.



COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Copper stocks fail to convince

Uncertainty about the true stocks position clouded the end of a generally constructive week for the copper market.

Yesterday's LME warehouse stocks report showed the total for the red metal fell a substantial 18,450 tonnes to 209,500, down 27,025 tonnes on the week and more than 70,000 tonnes since the beginning of September.

Dealers were far from unanimous, however, about the significance of the accelerating downward "metal is just going out to a number of different destinations," a senior LME copper trader told the Reuters news agency.

But Mr Angus MacMillan, analyst at broker Billiton Metals, suggested that much of the metal taken out of LME warehouses was material lent to the market earlier this year to exploit the strong nearby premiums and was now being taken back.

The three months delivery copper price at the LME rose 1.5 ppc to \$23,825.50, while the 12-month price rose 1.5 ppc to \$24,175.00.

BASE METALS

LONDON METAL EXCHANGE

Table with columns: Metal, Price, Change, High, Low, Vol. Includes Aluminum, Copper, Lead, Zinc, Tin, and Nickel.

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Gold's price turned firmer once it had managed to overcome a half-hearted downside test on Monday. By the London market close yesterday it was up modestly on the week.

Table with columns: Metal, Price, Change, High, Low, Vol. Includes Gold, Silver, Platinum, and Palladium.

Precious Metals continued

GOLD COMEX (100 Troy oz; \$/troy oz)

Table with columns: Date, Price, Change, High, Low, Vol. Includes Gold, Silver, Platinum, and Palladium.

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Table with columns: Metal, Price, Change, High, Low, Vol. Includes Copper, Lead, Zinc, and Tin.

GRAINS AND OIL SEEDS

WHEAT LIFE (c per tonne)

Table with columns: Date, Price, Change, High, Low, Vol. Includes Wheat, Corn, Soybeans, and Barley.

Wheat prices were mixed, with soft wheat futures up 1.5 ppc to \$1.22 1/2, while hard wheat futures were down 1.5 ppc to \$1.18 1/2.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Corn, Soybeans, and Barley.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Oilseeds, Cotton, and Rubber.

SOFTS

COCOA LIFFE (c/tonne)

Table with columns: Date, Price, Change, High, Low, Vol. Includes Cocoa, Coffee, and Sugar.

Cocoa prices were mixed, with cocoa futures up 1.5 ppc to \$1,825, while coffee futures were down 1.5 ppc to \$1.18 1/2.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Coffee, Sugar, and Cotton.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Rubber, Cotton, and Wool.

MEAT AND LIVESTOCK

LIVE CATTLE CME (40,000 lbs; cents/lb)

Table with columns: Date, Price, Change, High, Low, Vol. Includes Cattle, Hogs, and Pigs.

Cattle prices were mixed, with live cattle futures up 1.5 ppc to \$1.18 1/2, while hogs were down 1.5 ppc to \$1.18 1/2.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Hogs, Pigs, and Sheep.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Sheep, Poultry, and Eggs.

LONDON TRADED OPTIONS

ALUMINUM (99.7% LME)

Table with columns: Date, Price, Change, High, Low, Vol. Includes Aluminum, Copper, and Lead.

Aluminum prices were mixed, with aluminum futures up 1.5 ppc to \$1,825, while copper futures were down 1.5 ppc to \$1.18 1/2.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Copper, Lead, and Zinc.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Zinc, Tin, and Nickel.

CRUDE OIL FCB (per barrel)

DUBAI

Table with columns: Date, Price, Change, High, Low, Vol. Includes Crude Oil, Gasoline, and Diesel.

Crude oil prices were mixed, with Dubai crude futures up 1.5 ppc to \$18.25, while gasoline was down 1.5 ppc to \$1.18 1/2.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Gasoline, Diesel, and Jet Fuel.

Table with columns: Date, Price, Change, High, Low, Vol. Includes Jet Fuel, Natural Gas, and Propane.

WORLD BOND PRICES

MARKET REPORT

US Treasury prices yesterday made up much of the ground they had lost this week after new data showed that inflationary pressures remained in control and consumer spending is moderate.

Near midday, the benchmark 30-year Treasury was stronger at 98 1/2 to yield 6.840 per cent, while at the short and the two-year note rose 1/4 at 100 1/4, yielding 5.913 per cent.

Bonds had given up some of the sharp gains made last week as traders worried that economic growth was not as sluggish as last week's employment figures suggested.

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Maturity, Price, Change, Yield, Vol. Includes US Treasury, UK Gilts, and Japanese Bonds.

US INTEREST RATES

TREASURY BILLS AND BOND YIELDS

Table with columns: Rate, Yield, Change, High, Low, Vol. Includes Treasury Bills, Treasury Bonds, and Treasury Notes.

BOND FUTURES AND OPTIONS

FRANCE

Table with columns: Date, Price, Change, High, Low, Vol. Includes French Bond Futures and Options.

GERMANY

Table with columns: Date, Price, Change, High, Low, Vol. Includes German Bond Futures and Options.

ITALY

Table with columns: Date, Price, Change, High, Low, Vol. Includes Italian Bond Futures and Options.

SPAIN

Table with columns: Date, Price, Change, High, Low, Vol. Includes Spanish Bond Futures and Options.

UK GILTS PRICES

UK GILT FUTURES OPTIONS (LIFFE) £50,000 6 1/2% of 100%

Table with columns: Date, Price, Change, High, Low, Vol. Includes UK Gilts Futures and Options.

EURO BOND FUTURES (MATIF) EURO100,000

Table with columns: Date, Price, Change, High, Low, Vol. Includes Euro Bond Futures and Options.

FTSE Actuaries Govt. Securities

Table with columns: Date, Price, Change, High, Low, Vol. Includes FTSE Actuaries Govt. Securities.

FT Fixed Interest Indices

Table with columns: Date, Price, Change, High, Low, Vol. Includes FT Fixed Interest Indices.

UK GILTS PRICES

Table with columns: Date, Price, Change, High, Low, Vol. Includes UK Gilts Prices.

US TREASURY BOND FUTURES (CBT) \$100,000 3 1/2% of 100%

Table with columns: Date, Price, Change, High, Low, Vol. Includes US Treasury Bond Futures and Options.

JAPAN

Table with columns: Date, Price, Change, High, Low, Vol. Includes Japanese Bond Futures and Options.

UK INDICES

Table with columns: Date, Price, Change, High, Low, Vol. Includes UK Indices.

Other Fixed Interest

Table with columns: Date, Price, Change, High, Low, Vol. Includes Other Fixed Interest.

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UK INDICES

Table with columns: Date, Price, Change, High, Low, Vol. Includes UK Indices.

Other Fixed Interest

Table with columns: Date, Price, Change, High, Low, Vol. Includes Other Fixed Interest.

Other Fixed Interest

Table with columns: Date, Price, Change, High, Low, Vol. Includes Other Fixed Interest.

THE TOP OPPORTUNITIES SECTION For senior management positions. For information please contact: Robert Hunt +44 0171 873 4095

Other Fixed Interest table with columns: Date, Price, Change, High, Low, Vol. Includes various fixed interest instruments.

COMMENT & ANALYSIS

FINANCIAL TIMES

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Saturday October 12 1996

Heads in the seaside sand

Britain's political caravan has come to a halt. After three weeks at the seaside, the nation's politicians now return to the trenches of Westminster. The electorate will breathe a collective sigh of relief.

The practice of modern politics is rarely uplifting. It is never so daft as during the annual party conference season. These gatherings are not yet quite so staged-managed as the conventions held by the Democrats and Republicans in the US. But the principle is the same: it is apparently more profitable to dazzle the voters than to inform them.

The ruling Conservatives painted a portrait of Britain as a modern-day Elysium, a blessed island of prosperity and social stability. The opposition parties responded with images of a Stygian creek, a nation slipping ever further into the mire of economic failure and social decay. Needless to say, both pictures were unrecognisable to all but the zealots inside the conference halls.

Through the sandstorm of soundbites, however, it was possible to discern the ground on which the three main parties intend to fight the approaching general election. And, in different ways, each will count its conference a political success.

Mr Tony Blair, the Labour leader, was able to show just how far he has waded into the mire of democracy. Mr Paddy Ashdown, the leader of the Liberal Democrats, won backing for his conviction that the small third party in British politics should position itself as the radical conscience of the centre left. For his part, Mr John Major seemed to persuade many Conservatives that they still have a sporting chance of winning a fifth consecutive term if only they call a truce over Europe.

Personal journey

There were unintended glimpses too of their weaknesses. Mr Blair's voracity protects the suspicion that he is more comfortable with the language of vision than with hard policy detail. Mr Major's "fire-side chats" at the Tory conference may be electorally attractive. But they revealed a prime minister happier to talk about his personal journey from humble origins than to formulate a strategic programme for the nation during the next five years. Too often Mr Ashdown seemed, well, self-important. What the voters made of all

this will have to await the next batch of opinion surveys. But for the moment, Mr Blair holds a formidable advantage. Labour's lead is exaggerated by the headline figures in the polls. It is probably closer to 10 or 15 than to the 20-plus points cited by most of the published surveys. But the election is at most seven months off. No government has ever before made up so much ground so quickly.

Ruthlessly pruned

Mr Blair has positioned Labour as the party of active rather than big government. Public spending commitments have been ruthlessly pruned. Like Mr Bill Clinton, Mr Blair promises to make a difference through more effective use of existing resources rather than spending more and taxing more. Mr Gordon Brown, the shadow chancellor, embraced a macro-economic policy as orthodox as any delivered by a Conservative government. Most significantly, the Labour rank and file seems to be catching the habit of self-discipline.

It was a similar willingness of the troops to put loyalty before ideology that saved the Tory conference from catastrophe. The Eurosceptics were highly visible on the fringe, but a bravura performance from Mr Kenneth Clarke, the chancellor, saw them off in the main arena. Mr Clarke reminded his audience the economy is on their side. In different circumstances low inflation, strong growth and rising real incomes would guarantee electoral success.

Neither Mr Blair nor Mr Major, however, will treat honestly the two issues likely to dominate the next parliament: Europe, and the size and scope of the state.

For now the government's "wait-and-see" approach to a single currency may hold. But Mr Clarke is almost alone in thinking that a Conservative administration might actually win. Labour's internal debate on the issue has not been so visceral. But Mr Blair remains resolutely non-committal. On the domestic front, Mr Major has yet to explain how he can offer lower taxes without cutting into the core of the welfare state. Mr Blair insists that a radical improvement in public services would carry only the smallest price tag. In reality, the next government will be obliged to make much harder choices than either will admit. It is time the politicians took their heads from the sand.



John Murray Brown on the growing disillusionment of Catholics and Protestants with the Northern Ireland peace process

Return of the chill factor

The wall dividing Protestants and Roman Catholics was going up again this week in north Belfast between the nationalist Cliftonville area and the loyalist Tigers Bay. Just three days after two 800lb IRA car bombs ripped through the British army headquarters at Thevalva barracks in Lisburn, workmen were erecting a 5m steel divide in Duncrain Gardens to separate neighbouring Protestants and Catholics.

This new peace line - or as officials now call it the "sectarian interface" - is a symbol of the rapidly deteriorating relations between the two communities. With the return of the IRA bombing campaign to the province, there are fears that the loyalist paramilitaries will end their ceasefire and plunge Northern Ireland back into the violence that ended just over two years ago.

"No one knows what's going to happen," says Mr Conor Patterson, director of an enterprise agency in County Armagh, a republican stronghold. "Not even the political analysts appear to understand what the IRA will do. That's what is really frightening."

Mr Pat Dougan, chairman of Mackie, the engineering group which straddles the peace line in west Belfast, is optimistic that the loyalist ceasefire will hold. "There's a tremendous sadness at what has happened, but I think the loyalists will stay their hand," he says. "I work amongst these people."

The IRA ceasefire of August 1994 unleashed a burst of goodwill. The province enjoyed the first signs of an economic boom. Tourist arrivals were up, foreign investors for the first time in two decades looked seriously at locating in the province.

And in perhaps the most dramatic illustration of the changes, shoppers from the Irish Republic flooded into Belfast and the border towns - the large department stores even accepting Irish pounds.

The visit of Mr Bill Clinton, the US president, last November seemed to reinforce the belief that Northern Ireland had entered a new era.

"Clinton's visit was the party that Belfast had been waiting for," says Mrs Violet Clarke, a Protestant, who still keeps a notice in the window of her Shankill Road grocery shop reminding people that "President Clinton shops here".

But across the province, community workers now talk of the return of the "chill factor". The much-vaunted peace dividend has all but evaporated.

A large international computer products conference was called off last month. This summer several big names pulled out of the seniors British Open golf tournament at Portrush, including Gary Player, the world-famous South African.

The resumption of the IRA campaign has overshadowed attempts by the tourist boards north and south of the border to promote Irish holidays. In a bid to recover ground from lost bookings, the Northern Ireland Tourist Board has launched a "holiday on your doorstep" promotion to persuade locals to take their vacations at home.

Inside the province, confidence has been dented by intercommunal boycotts. The first were by nationalists of Protestant businesses run by Orangemen. Protestant groups retaliated by boycotting goods from the south and blockading north-south trade.

Police officers are back in their hard-top vehicles, and armed soldiers again patrol the streets. To

pay for the extra security, the government has indicated that funds will have to be diverted from education and health programmes.

Even the European Union's Ecu300m (\$375m) programme for peace and reconciliation has been slow to materialise. The European Parliament's budget committee voted this week for cuts of Ecu70m in next year's funding because of slowness in disbursing the money. Ms Monika Wulf-Mathies, the regional affairs Commissioner, said the move showed a "lack of solidarity" with the people most at need.

"The peace dividend was never great," says Mr Liam Maskey, a community worker in north Belfast. "There's a huge disappointment the money never got to the people who needed it most."

Popular pessimism has been fed by the faltering pace of the all-party talks on the future of the province, which started in June but have been held up by interminable wrangling over procedure.

There is, however, little sign of a backlash from Sinn Féin's core constituency. "We're dismayed, but you can't blame the IRA," says the garage attendant selling An Phoblacht, the Sinn Féin newspaper.

Protestants predictably blame republicans for breaking their ceasefire. But there is also some anger at mainstream unionist parties for obstructing progress at the all-party talks.

"People say they've tried the peace, I think it will go back to violence," says Mrs Clarke on the Shankill Road. Like many on both sides she fears that any renewal of the intercommunal strife will be much worse than before. This is echoed by Mr Eddie

Bannon, an accountant at the North City Business Centre on Duncrain Gardens, which was opened by Mr John Major last December. "I wouldn't be in this office if it wasn't for the ceasefire," he says.

"The problem is I'm now a target. I know more people on the Protestant side, and they know me. I have a lot of Protestant clients. During the ceasefire, people's guards have come down - they forget their boundaries."

Nowhere is the sectarianism more evident than in north Belfast, a patchwork of communities. As in the past it has suffered the worst of the recent sectarian violence.

After a summer of often violent disputes over the demands of protestant Orangemen to march through Catholic areas, the recriminations between the politicians are played out on its streets. Families have been forced from their homes, churches and schools burnt.

"The problems are so large, no one should expect change to happen overnight. We'd be ridiculed if we insisted on Protestants and Catholics working together," says Mr Micky Finnegan, local director of Making Belfast Work, a government agency trying to bring jobs to areas of most acute deprivation.

"The attitude is: we were born in different hospitals, go to different schools, work at different factories, and are buried in different graveyards," complains Ms Mary Lyons, director of Springvale Training Centre in republican west Belfast.

Her centre was set up to provide training opportunities for both communities. But she points out with dismay that the government has just awarded £1.5m for another training centre on Lankar Way, on the Protestant side of the peace line.

"It's as if the government were planning for failure [of the peace process]," she says.

Until now, the business community has been reluctant to pass judgment on the political impasse. But on Monday, a delegation representing the main business and trade union organisations called on the politicians at Stormont to "seek new solutions to problems that have hitherto proved intractable". Sir George Quigley, chairman of Ulster Bank, warned the collapse of the talks would mean putting "the political process into liquidation".

Some businessmen go further and criticise the government for not showing sufficient flexibility to bring Sinn Féin into the talks before the IRA's ceasefire broke with the bomb in London's Canary Wharf in February.

"It would be like me trying to negotiate pay awards without talking to the unions," says Mr Doug Riley, outgoing chairman of the local Confederation of British Industry. "It's so obvious it doesn't bear saying."

Mr Hans Kelders has seen it all before. A Dutchman, he left Northern Ireland 21 years ago, after the Russell Court, the hotel he was then managing, was blown up by the IRA.

Today he has returned as manager of the Holiday Inn Express, the first purpose-built hotel to open in Belfast for more than 20 years. He remains defiantly optimistic: "Something has to give. I don't think the young people will allow the politicians to go on like this."

"The government has a real opportunity," says Mackie's Mr Dougan. "They missed it last time, and lost the high ground, and they've paid dearly for it. But there's a ticket and on it sits 'ceasefire'. It's for the IRA to catch on."



They

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938. e-mail: letters.editor@ft.com. Published letters are also available on the FT web site: <http://www.ft.com>. Translation may be available for letters written in the main international languages.

Outdated notions hinder chronic fatigue treatment

From Dr Richard Mayou.
Sir, It was sad to read Joe Rogaly's rejection ("Baffling the doctors", October 5/6) of the report by three medical Royal Colleges on Chronic Fatigue (ME) on the basis of "observation of a number of victims, plus fairly wide anecdotal evidence". It was particularly sad that the report's emphasis on the psychological contributions to causation and to the effectiveness of psychological treatment were both dismissed by no more than jibes at "shrinks". Now that doctors are admitting that they have often

been bewildered by chronic fatigue and other medically unexplained symptoms, it is worth considering the evidence. There are substantial reasons for believing these common problems are due to the interaction of physical and psychological factors. Consistent clinical and research evidence supports the effectiveness and acceptability of neuropsychological treatments.

Those of us who treat chronic fatigue, the many similar problems and emotional reactions to serious physical

illnesses are greatly hindered by outdated notions of mental illness which interfere with the acceptance of the importance of psychological processes in the ways that all of us react to medical problems. Once we can be more open-minded it will be possible to make all our treatments both more effective and more acceptable. If, instead, we insist on crude alternatives of natural and physical illness patients will fail to get the benefits of proven psychological treatments, they will get less than full benefits from physical

treatments and they will continue to waste money on unsubstantiated and sometimes harmful alternative and complementary medicines. A more sophisticated view of the interaction of the psychological and the physical is essential for good medical care and for the more efficient use of health resources.

Richard Mayou, clinical reader in psychiatry, Warneford Hospital, Oxford University Oxford OX3 7JX, UK

Real food battle must be fought on a European field

From Ms Janet Forster.
Sir, Jancis Robinson ("The tasteless food society", October 5/6) is right to be appalled at some of the outlandish fast-food items she noted on UK supermarket shelves. I share her concerns in this age of the food technologist. Nonetheless, she risks giving the impression it is only in the UK that this trend has taken hold. Twenty-two years of family food-shopping in Germany showed me that both there and nearby in The Netherlands, sorry to say, "orange-crumbed pieces of flavourless fish" were popular purchases in supermarkets, along with other items of junk food.

is of the same uniformity found in the average UK outlets. No "wars and all" items. Countless French mothers now have jobs outside the home. To witness their mad rush to get home and feed their families is hair-raising. It could also explain the growing trend here towards convenience foods, sad though it is.

Janet Forster, rue du Bagua, St André-de-Broquelongue, F-11200 France

products really worth eating? Good ingredients also require good cooking. Although restaurant meals have improved beyond measure in recent years, the art of good home cooking is in danger of being lost. There is a glimmer of hope, in that creating a real home-made meal has begun to be seen as a leisure activity.

Bill Martin, Sandra Mason, Leisure Consultants, Lint Grows, Foxearth, Sudbury, Suffolk, CO10 7JX, UK

From Ms Barbara Green.
Sir, For confirmation of her views Jancis Robinson need look no further than our local city market. Fruit and veg is piled high; like her French tomatoes, mishapen, irregular in colour, but fresh, seasonal and tasty. The British attitude to food is amply demonstrated by tourists who knowingly declare that "of course it all looks so rough because the best has gone for export". The joke is that the Mediterranean *cognoscenti* probably wouldn't touch what has gone for export in its regulated, preserved and chilled format. No Chorleywood nonsense with our bread, either. Good enough to chew on without the fatty disguise required by its distant cotton wool cousin; except perhaps at breakfast when, lightly toasted with a generous spread of olive oil, it provides the energy for us to climb the hill to buy the day's irregular, but tasty food. Forget all the money stuff - what about imposing some convergence criteria for a real-food union? Barbara Green, Buzon 182, Mijas la Nueva, Malaga, Spain

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FT Quarterly Review of Personal Finance.

On Friday, October 18 and Saturday, October 19 the FT will publish the latest issue of the Quarterly Review of Personal Finance.

This autumn's 32 page survey will focus on long term care provisions. An assessment will be made of the benefits which are currently available and the role private insurance is increasingly playing in the healthcare mix.

The survey will also include a look at the latest developments in unit trusts and our regular update on investing in the stockmarkets, building a portfolio and managed funds. So, for a check-up on your financial health, check out the FT on October 18.

Financial Times
World Business Newspaper

مكازم الكحل

COMMENT & ANALYSIS

Man in the News • Anatoly Chubais

The Kremlin gatekeeper

Chrystia Freeland on Yeltsin's controversial chief of staff



Mr Anatoly Chubais, the Kremlin chief of staff, is at once Russia's most loved and most hated politician. "Either he will be murdered or he will be president," is the verdict of one of his political allies.

To his admirers, the 41-year-old economist is a high-minded crusader who spearheaded the country's bold, mass privatisation programme and Russian President Boris Yeltsin's remarkable election victory. To his detractors, Mr Chubais is a modern-day Rasputin, a cunning manipulator who sold the nation's treasures for a song and today has taken advantage of Mr Yeltsin's protracted illness to become president in all but name.

For western investors and governments, Mr Chubais's political skills and his reformist economic policies have made him their favourite man in the Kremlin. One foreign businessman says he hopes Mr Chubais's statue will one day replace Lenin's across Russia; many dream of a Chubais presidency.

Patti Waldmeir on the contrasting appeal of Elizabeth Dole and Hillary Clinton

They don't bake cookies

It is difficult to be intimate with several hundred people at once, but Mrs Elizabeth Dole does her best. Clad in the boldest of primary colours, with a splash of red at lip and nail, the aspirant first lady - wife of presidential candidate Mr Bob Dole - strides forth on slender calves to carry her husband's message to an indifferent electorate. She is the prime evangelist of her husband's politics and his chief campaign surrogate.

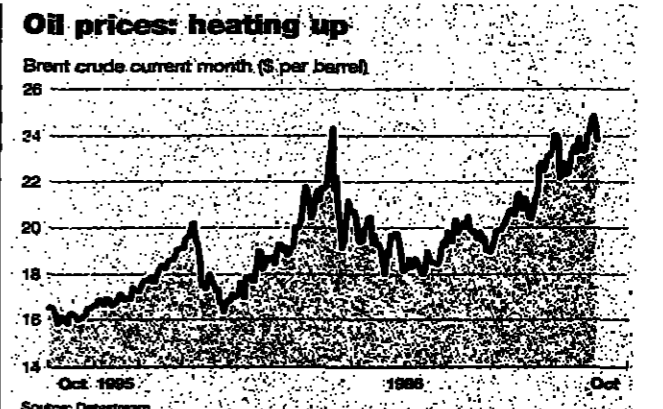
Her mission is to explain him to the nation and the script is always the same. Mrs Dole refers to her husband as "Bob Dole" throughout, a habit she shares with the candidate who ceaselessly calls himself by his full name. She includes a section on the pain and poverty of "Bob Dole", wounded in war, raised in a basement; she testifies to his integrity, defends his economic policy and attacks his opponent.

But it is the delivery that makes the message: Elizabeth Dole knows it is the art of instant intimacy which gives television talk-show hosts their power. So she takes a few high-heeled steps into the audience and begins to touch sleeves, pat shoulders and engage every available pair of eyes. She adopts the formula of talk-show hostess Oprah Winfrey,

strolling between tables and down aisles, anywhere away from the distant podium. Then she aids just that touch of southern sweetness. And, improbable as it may seem, The Liddy Dole Show makes converts. "She's got my vote," said a breathless Waterbury matron, brushing aside the objection that the candidate's spouse is not on the ballot. "If she sees such good in this man, there must be a lot of good in him."

Clad in a 1980s version of a twin-set, she seems more schoolmarm than beauty queen and she does not speak in sound bites. But her own carefully selected audiences love her. Standing firmly behind her lectern, Mrs Clinton does one of the

main things Mrs Dole tries to do, only with greater success: establish a link between politics and reality. And in the audience, the reaction is always the same: "She's like a real person, an everyday person, and she knows the issues that matter to families", or "I was surprised to find her talking about the same things that are on my mind as a parent..." Mention the White-water financial scandal and listeners shrug or roll their eyes. Cynics among them say corruption is the natural condition of politicians. True believers think Mrs Clinton has been framed.



A wellspring of demand

Rising oil prices have surprised producers and users, says Robert Corzine

Oil producers are delighted. Motorists in the UK are not: they have seen petrol prices rise four times in the past 10 weeks. And homeowners in the US snow belt are scrambling to secure supplies of winter heating oil.

Overall, consumption in developing countries is predicted to increase by 4.2 per cent next year. But energy forecasters admit that making predictions about developing countries' needs without reliable data is an inexact science.



The gender game: while Elizabeth Dole (right) mingles with the crowd, Hillary Clinton avoids public intimacy

Painful separation

Clive Cookson on the growing clamour for a relaxation of the UK quarantine system for keeping out rabies

rabies and clear identification - an international "pet passport". Next week a group of senior veterinary surgeons will raise their voices in support of a new system based on vaccination and identification. Several diplomats and military officers have spoken out publicly this year against the present system, which forces them either to leave a beloved pet behind or to spend £1,000 to £1,500 keeping it "in prison" for six months.

More than 5,000 dogs and 3,000 cats a year go into quarantine, providing the country's kennel owners with fees totalling an estimated £10m a year. The Commons agriculture committee, in a report two years ago recommending an end to the present system, said the government should give the owners grants to convert their businesses to other uses.

Proponents of change say several scientific advances have come together to make pet passports a safe alternative. New vaccines make it possible to protect animals safely and reliably against rabies. In western Europe and north America, vaccination is being used not only for pets but also for wild animals. The number of rabid foxes - Europe's main reservoir of infection - has

fallen by more than 80 per cent since 1990, because the animals eat bait loaded with an oral vaccine. The World Health Organisation predicts that fox rabies will be eradicated within a few years. Antibody tests can say quickly whether vaccination has given an animal full protection. An electronic tag, implanted into each animal, provides unambiguous identification.

Other countries have managed to remain free of rabies without six-month quarantine rules. Japan, for example, merely requires proof of vaccination and a minimum two weeks quarantine for animals imported from the US. Australia imposes a month's quarantine on vaccinated pets from Europe. But the favourite example of the passport for pets lobby is Sweden, which abolished its quarantine system for animals coming from other European countries in 1994. Instead, it requires evidence of vaccination and a tattoo or microchip identification.

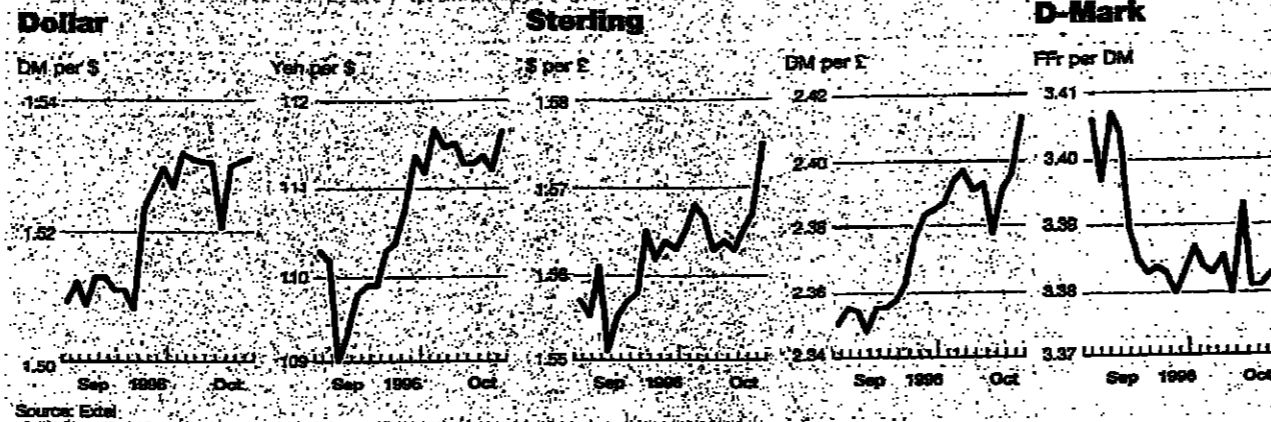
thy thy wise. in your being

Sterling effort

MARKETS REPORT By Richard Adams

Sterling shot upwards on foreign currency markets yesterday, hitting a high for the year against the dollar...

index, which measures the pound against a basket of major trading currencies, ended on a peak for the year at 87.8...



Yesterday aided sterling, said Mr Nick Shammis, a foreign exchange analyst at Technical Data...

Total US retail sales increased last month by 0.7 per cent, after a revised 0.7 per cent decline in August sales...

Table with columns: Country, Closing mid-point, Change on day, Bid/offer spread, Day's high/low, One month %PA, Three months %PA, One year %PA, Bank of England index.

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Table with columns: Country, Bid, Offer, High, Low, Est. vol, Open Int. for various currencies.

Table with columns: Country, Bid, Offer, High, Low, Est. vol, Open Int. for various currencies.

Table with columns: Country, Bid, Offer, High, Low, Est. vol, Open Int. for various currencies.

WORLD INTEREST RATES MONEY RATES table with columns: Country, Rate, Term.

EURO CURRENCY INTEREST RATES table with columns: Country, Rate, Term.

THREE MONTH EURO CURRENCY FUTURES table with columns: Country, Rate, Change, High, Low, Est. vol, Open Int.

Table with columns: Country, Bid, Offer, High, Low, Est. vol, Open Int. for various currencies.

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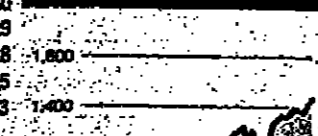
UNIT TRUSTS

WINNERS AND LOSERS

TOP FIVE OVER 1 YEAR

Table listing top five unit trusts over 1 year, including Johnson Fry Slater Growth, Hill Samuel US Smaller Cos, Friends Prov American Sm Cos, Jupiter European, and Kleinwort Benson Amer Small Cos.

Johnson Fry Slater Gth



TOP FIVE OVER 3 YEARS

Table listing top five unit trusts over 3 years, including Profitic Technology, Hill Samuel US Smaller Cos, PM North America Growth, Baring Europe Select, and Framlington Health.

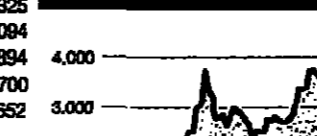
Sanwa Japan



TOP FIVE OVER 5 YEARS

Table listing top five unit trusts over 5 years, including Profitic Technology, Hill Samuel US Smaller Cos, Mercury Gold & General, Hill Samuel US Smaller Cos, and Hill Samuel US Smaller Cos.

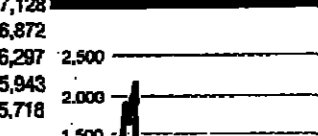
GT Orient Acc



TOP FIVE OVER 10 YEARS

Table listing top five unit trusts over 10 years, including Hill Samuel US Smaller Cos, Gartmore American Emer Gth, Profitic Technology, F&C US Small Companies, and HSBC Hong Kong Growth.

Waverley Aust Gold



BOTTOM FIVE OVER 1 YEAR

Table listing bottom five unit trusts over 1 year, including GT Korea Securities, Old Mutual Thailand Acc, Save & Prosper Korea, Baring Korea, and Schroder Saudi.

BOTTOM FIVE OVER 3 YEARS

Table listing bottom five unit trusts over 3 years, including Sanwa Japan, Govett Japan Growth, Fidelity Japan Smaller Cos, Friends Prov Japanese Sm Cos, and Barclays Uni Japan Inc.

BOTTOM FIVE OVER 5 YEARS

Table listing bottom five unit trusts over 5 years, including Friends Prov Japanese Sm Cos, Govett Japan Growth, Barclays Uni Japan Inc, Invesco Japan Growth, and Fidelity Japan Smaller Cos.

BOTTOM FIVE OVER 10 YEARS

Table listing bottom five unit trusts over 10 years, including Barclays Uni Japan Inc, Mercury Japan, M&G Japan & General Acc, Waverley Australasian Gold, and CU PPT Japan Growth.

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance. Source: HSW (01625 511311)

Indices

Table showing performance of various indices like Average Unit Trust, Average Investment Trust, and Building Society.

UK Eq & Bd

Table showing performance of UK Equity & Bond indices.

Nth America

Table showing performance of North America indices.

Best Peps

Table showing performance of Best Peps indices.

Money Mkt

Table showing performance of Money Market indices.

Investment Trust Units

Table showing performance of Investment Trust Units.

Fund of Funds

Table showing performance of Fund of Funds.

Financial & Property

Table showing performance of Financial & Property indices.

UK Growth

Table showing performance of UK Growth indices.

Gift & Fixed Interest

Table showing performance of Gift & Fixed Interest indices.

Europe

Table showing performance of Europe indices.

Japan

Table showing performance of Japan indices.

Far East inc Japan

Table showing performance of Far East inc Japan indices.

Far East exc Japan

Table showing performance of Far East exc Japan indices.

Commodity & Energy

Table showing performance of Commodity & Energy indices.

Global Emerging Mkts

Table showing performance of Global Emerging Markets indices.

UK Growth & Income

Table showing performance of UK Growth & Income indices.

International Equity Income

Table showing performance of International Equity Income indices.

International Fixed Interest

Table showing performance of International Fixed Interest indices.

International Equity & Bond

Table showing performance of International Equity & Bond indices.

International Growth

Table showing performance of International Growth indices.

UK Equity & Bond Income

Table showing performance of UK Equity & Bond Income indices.

UK Smaller Companies

Table showing performance of UK Smaller Companies indices.

UK Equity Income

Table showing performance of UK Equity Income indices.

UK Smaller Companies

Table showing performance of UK Smaller Companies indices.

UK Equity Income

Table showing performance of UK Equity Income indices.

UK Equity & Bond Income

Table showing performance of UK Equity & Bond Income indices.

UK Growth & Income

Table showing performance of UK Growth & Income indices.

UK Smaller Companies

Table showing performance of UK Smaller Companies indices.

UK Equity Income

Table showing performance of UK Equity Income indices.

UK Equity & Bond Income

Table showing performance of UK Equity & Bond Income indices.

UK Growth & Income

Table showing performance of UK Growth & Income indices.

INVESTMENT TRUSTS

WINNERS AND LOSERS

TOP FIVE OVER 1 YEAR

Table listing top five investment trusts over 1 year, including TR Technology, Finsbury Worldwide Pharmacy, Baring Emerging Europe, Central European Growth Fund, and Foreign & Colonial Enterprise.

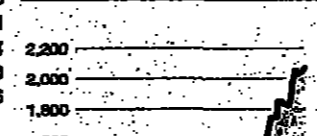
Finsbury W/ide Pharm



TOP FIVE OVER 3 YEARS

Table listing top five investment trusts over 3 years, including TR Technology, Kleinwort Development Fund, Invesco English & Intl, TR European Growth, and Foreign & Colonial Enterprise.

F&C Enterprise



TOP FIVE OVER 5 YEARS

Table listing top five investment trusts over 5 years, including TR Technology, MCT Capital, Foreign & Colonial Enterprise, Thompson Clive, and North Atlantic Smaller Cos.

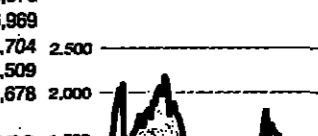
East German



TOP FIVE OVER 10 YEARS

Table listing top five investment trusts over 10 years, including Cardover, Rights & Issues Capital, Capital Gearing, Rights & Issues Inc, and Law Debenture Corporation.

TR Property



BOTTOM FIVE OVER 1 YEAR

Table listing bottom five investment trusts over 1 year, including Exmoor Dual Capital, Fleming Indian, Fulcrum Capital, Exmoor Dual Inc, and Contra-Cyclical Capital.

BOTTOM FIVE OVER 3 YEARS

Table listing bottom five investment trusts over 3 years, including Exmoor Dual Capital, East German, Contra-Cyclical Capital, Exmoor Dual Inc, and Fulcrum Capital.

BOTTOM FIVE OVER 5 YEARS

Table listing bottom five investment trusts over 5 years, including Exmoor Dual Capital, East German, Contra-Cyclical Capital, Exmoor Dual Inc, and Fulcrum Capital.

BOTTOM FIVE OVER 10 YEARS

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Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance. For investment trust prices see main paper.

UK General

Table showing performance of UK General indices.

Int Cap Gth

Table showing performance of International Capital Growth indices.

FE inc Japan

Table showing performance of Far East inc Japan indices.

High Income

Table showing performance of High Income indices.

UK Capital Growth

Table showing performance of UK Capital Growth indices.

Int Income Growth

Table showing performance of International Income Growth indices.

Far East exc Japan, General

Table showing performance of Far East exc Japan, General indices.

Split - Capital

Table showing performance of Split - Capital indices.

Smaller Companies

Table showing performance of Smaller Companies indices.

North America

Table showing performance of North America indices.

Far East exc Japan, Single Country

Table showing performance of Far East exc Japan, Single Country indices.

Split - Inc & Residual Cap Shares

Table showing performance of Split - Inc & Residual Cap Shares indices.

UK Income Growth

Table showing performance of UK Income Growth indices.

Continental Europe

Table showing performance of Continental Europe indices.

Emerging Markets

Table showing performance of Emerging Markets indices.

Split - Income

Table showing performance of Split - Income indices.

Venture and Devt Cap

Table showing performance of Venture and Devt Cap indices.

Pan Europe

Table showing performance of Pan Europe indices.

Far East exc Japan, Single Country

Table showing performance of Far East exc Japan, Single Country indices.

Split - Zero Dividend

Table showing performance of Split - Zero Dividend indices.

UK Smaller Companies

Table showing performance of UK Smaller Companies indices.

Japan

Table showing performance of Japan indices.

Closed End Funds

Table showing performance of Closed End Funds indices.

Property

Table showing performance of Property indices.

International General

Table showing performance of International General indices.

UK Smaller Companies

Table showing performance of UK Smaller Companies indices.

Japan

Table showing performance of Japan indices.

Emerging Markets

Table showing performance of Emerging Markets indices.

Split - Income

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Split - Zero Dividend

Table showing performance of Split - Zero Dividend indices.

UK Smaller Companies

Table showing performance of UK Smaller Companies indices.

Japan

Table showing performance of Japan indices.

UNIT TRUST LAUNCHES

Table listing new unit trust launches, including European Smaller Companies Fund and M&G (0171 826 4588).

Investment trusts

The choices increase daily for shareholders in the Kleinwort European Privatisation Investment Trust (Kept). In addition to the three options offered by its directors, they now have a special offer from Mercury to consider and a C-share issue from TR European Growth (Treg), the trust which previously bid for Kept, writes Roger Taylor. Kept shareholders who fail to respond to the directors' proposals will see their investment switched into Kleinwort Benson's new European privatisation unit trust. This is unlikely to be the most popular option. The alternatives under the directors' proposals are to take cash or to switch in the M&G European & General unit trust, a broadly spread European equity fund. Mercury Asset Management has extended until October 18 the special offer under which it will pay the dealing costs of swapping Kept shares for shares in the Mercury European Privatisation Trust (Mepit). Mepit shares are at a substantial discount to net asset value. Also, it has turned in a much better performance than Kept, although that is partly due to its wider remit. Unlike Kept, Mepit can invest in UK privatisation stocks which, in general, have performed far better than those in continental Europe. The Treg share issue will allow investors to buy into this top-performing trust at close to net asset value. The shares are now at a premium. Treg is a general European equity fund but could not be more different from the M&G unit trust, which is managed conservatively with a broadly spread portfolio and pedestrian performance to match. Treg is a high-risk fund which has boosted its performance with big holdings in minor markets such as Scandinavia.

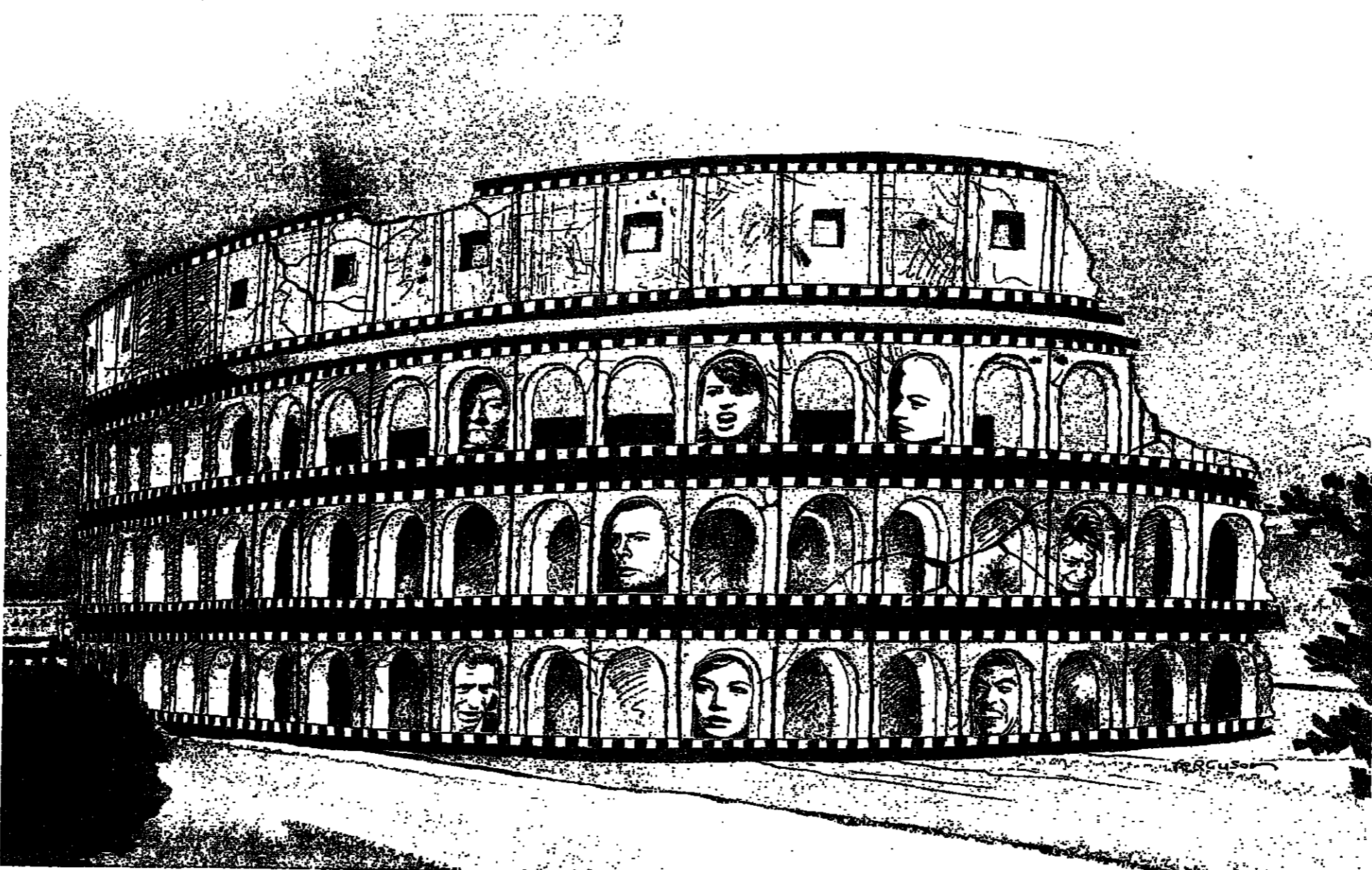
Weekend FT

Tinseltown on the Tiber is in trouble: the sale of the Cinecittà Studios has put Italy's film industry in the spotlight. Nigel Andrews reports

Inside these gates you once found the streets of Moscow, the Roman Forum and the Nile valley. Fellini built a giant stretch of motorway and packed it with fuming cars and drivers. Visconti recreated bygone Florence and Venice. And Elizabeth Taylor and Richard Burton loved and declaimed amid the dwarfing sets of *Cleopatra*.

All roads lead to Rome, but for film buffs only one road leads out of it. The Via Tuscolana, east of the Appian Way, spears through southern suburbs for some five miles until it hits a large walled compound. Rearing 20ft above one corner is a familiar statue, a crouched Roman musclem holding aloft a beacon.

It looks like - it is - a mock-up of the one-time poster boy for the 1959 *Berlin-Heer*. But the beefcake's beacon now "burns" with a twirl of celluloid. And though he stands at the gates of his alma mater, Cinecittà Studios, he is playing sentry to a lavish exhibition at the studio celebrating "100 Years of Italian cinema".



Epic fade-out in Rome

Cinecittà, for decades the world's most famous movie complex outside Hollywood, virtually is Italian cinema. Created by Mussolini in 1936 in a blaze of chauvinism, it survived to incubate directors such as Fellini and Visconti, producers such as Carlo Ponti and Dino De Laurentiis and epics from around the world such as *War and Peace*, *A Forester To Arms*, *Ben-Hur* and that famous spendthrift epic about the *Queen of the Nile*.

"It's the place where the dreams of Italy were created," says Walter Veltroni, minister of culture and deputy premier. And not just Italy. Every national cinema came here to build its sets, play its war games or ransack the studio's treasury of props, costumes and craftspeople.

Today, though, it is crunch time for Cinecittà and its compatriot film industry. A few recent Oscars for charmers such as *Cinema Paradiso* and *Il Postino* have not disguised the

poverty of Italy's film-making at large, nor its hankering for the golden days of *The Leopard*, *La Dolce Vita* and *8½*.

The studio, which has lost billions of lire through dwindling home production and stay-away foreigners, falls under the hammer next week in a partial privatisation scheme. Hoping to save a national treasure that has shrunk in size (800 pre-war hectares to 30) and reputation, Italy's centre-left government has offered a share in the studio's control - though not a controlling share - to outside Europeans. The deadline for bids is Tuesday. The supervising bank is N.M. Rothschild & Sons.

From behind a desk in an office overlooking the forum statue of Julius Caesar, whose oddly proportioned right arm extends as if in despair towards the nearby shopping mall *Cinecittà Due*, which 10 years ago

gobbled up half the studio's acreage, Cinecittà's administrative director Carlo Degli Esposti explains the plan.

"The physical studio and its assets will remain in state ownership. But we have created a special company called Cinecittà Servizi, which will run the studio and decide its production programme. A 49 per cent share of this is an offer to private bidders from Italy or outside."

These bidders will pay about £5bn (£2.1m) a year, he says, as the starting rent for a nine-year renewable contract.

And they cannot come from the US. As Degli Esposti's overlord Giovanni Grazioli says - he is president of the holding company Ente Cinema, which hands down annual government grants to Cinecittà and its sister outfit Istituto Luce (a sort of British Film Institute on the Tiber) - "We are already colonised by America."

Americans will be allowed to help run the multiplex cinema planned for a corner of the studio's grounds. And, of course, to make films.

The Euro-privatisation scheme has two main aims. First, to bring fresh work and energy, it is hoped, to a studio just beginning to re-balance its books. "If you take a little walk, you will see that all the studios are busy," says Grazioli; and everyone here takes pride in the éclat lent by Sylvester Stallone's recent visit to make the mega-thriller *Daylight*. Other recent profile-raisers have included Bertolucci's *Stealing Beauty* and Jane Campion's *The Portrait Of A Lady*.

The plan's second aim, says Veltroni, is to make this studio more than Italian and more than a studio. "I want it to be truly a city of cinema," he says. "People can see films and go to film museums. It should be Europe's equivalent of the

Universal or MGM studio theme parks, where you not only play but produce work."

Not everyone, though, welcomes this open-door privatisation. Should not an Italian studio stay in Italian hands? Vittorio Cecchi Gori, the country's top producer, put in his own bid to run the studio a year ago. "I contribute 80 per cent of the feature films that are shot at Cinecittà," declares the man who is also Italy's largest distributor. "Without me there would be no Cinecittà. I deserve a medal for keeping Italian cinema alive in difficult years."

Cecchi Gori repudiates recent media reports that he has withdrawn his L10bn bid for the studio. "E' completamente falso! I learn this first in the newspapers. But we are among crafty people. It is just because I make so many films at Cinecittà - already in this year - that I shall not get it."

He refers to Italy's current terror of monopolies, brought on by the Berlusconi experience. A nation that recently voted from power the man who owned everything from soccer teams to media empires to the prime ministership is not, says Cecchi Gori, about to boost the ego of another venture capitalist.

So who should get Cinecittà? Cecchi Gori believes that Italians should run it and that Americans, if not invited into the bidding, should be courted as the studio's customers.

"The Americans have stayed away because we need their money so badly that we give them an unfair deal. We should offer Hollywood companies a complete,

closed package: studio, hotels, transport. And no VAT disincentives or tax surprises."

These, even Degli Esposti confirms, have been preposterous. "I had an American producer who wanted to make a film at Cinecittà but who was still waiting for the return of VAT on his last production eight years ago. I went to the government and got them to hand it over. It is absurd that Hollywood companies must keep an office open for years after making their film just to reclaim taxes."

A new law will be in place by December, ending this quirk. But the more I tour Rome, frisking its film folk

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Joe Rogaly

No left, right or centre

The post-Communist age takes some getting used to

You and I may share a shaming secret. We would rather watch a good drama than a screful of political campaigning. Drama can be absorbing. Elections hardly matter, certainly not when the argument is about which party has the best economic policy. On this the principal difference between the Democratic and Republican contenders for the presidency of the US is that the incumbent's name begins with a C while the challenger's starts with a D.

As to the forthcoming British general election, the hot choice lies between a fiscally conservative administration and a fiscally conservative opposition.

This is the political economy of the post-Communist age. It takes some getting used to. Before 1989, when the Berlin Wall came down, most of us were conscious of a hovering cloud, an intimation that authoritarian socialism might be victorious. Today no such spectre haunts our brainboxes. Capitalists need no longer tremble at the thought of the tumbrels. Erstwhile democratic socialists are floundering, bamboozled by history, bereft of the hopes of their formative years.

We should all reprogram ourselves, delete "left"

and for that matter "right" and "centre". Those designations, suited to 1789, have lost their pre-1989 meaning. Private enterprise in a market economy prevails. End of story. In most countries serious politicians say they reject big government, whether they do or not. They promise to curtail public spending and reduce taxes. These are the central economic propositions of our times. The rest is detail.

Thus Messrs Clinton, Dole, Major and Blair all promise tight budgets, low taxation, inflation control, and a reduction in the number of citizens on welfare. Anyone old enough to be in high school has lived through years when such strategies were correctly called "right wing". Today they are a part of the standard package offered by mainstream parties.

At the start of this week Britain's "right-wing" Centre for Policy Studies published a proposed agenda for a fifth term of Conservative party government. I will not list all its 12 points, except to say that some, such as privatisation of the Royal Mail and the London underground railway were picked up by John Major on Wednesday while others, on education and health, could, without any difficulty, have

been espoused by the prime minister or, with adjustments, Tony Blair.

This list is supposed to be radical, to make us sit up. Tessa Keewick, the director of the centre, reminds us that: "Western economic dominance is being replaced by a free-market free for all, with companies, capital and talent crossing borders and oceans in search of the most favourable economic climate." Nothing new there, although it cannot be said often enough. Mr Blair keeps talking about global markets, just like any Conservative minister. The message is getting through.

It is even beginning to be understood, although not yet universally, in continental western Europe. At a recent Anglo-Italian colloquy near Siena, participants discussed "social Europe". The phrase implies that the member countries of the

EU, Britain excepted, are run by the corporatist trio of business, government and unions. The labour market is heavily regulated. Taxes are high. Social security costs are out of control. Populations are not replacing themselves. As they age, there will be fewer workers per dependent.

This kind of talk among the assembled politicians and academics seemed to me to point to one conclusion. "Social Europe" is on the way out. The Maastricht criteria for the single currency demand conservative budgeting. That means trimming, then slashing, welfare payments.

Competition from Asian countries can only be met by flexible labour markets, which means weaker unions, fewer regulations, longer hours, and lower wages. Germany, France and Spain and, in its own way, Italy will be obliged to move in that direction.

The difference between continental European and Anglo-American political economies is therefore essentially rhetorical. In Britain and the US it has become good politics to boast of cost-cutting. In the "social market" you can still win support by undertaking to spend taxpayers' money on selected collections of

voters. The words are different, but the direction is the same.

Parties do differ when they turn to the politics of human behaviour, such as family law, the curbing of pornography, the control of unruly schoolchildren, fighting crime and the like. Yet even in this general area Mr Blair has moved what might formerly have been termed "rightwards". As hard-nosed as any conservative, the leader of Britain's Labour party is tough on criminals, favours family life, and sympathises with the victims of unruly neighbours.

In the US, religious social authoritarians take such attitudes to extremes, particularly on abortion. Being pro-life or pro-choice divides politics in a way few Europeans can comprehend. Yet in Britain there are those who complain that the pro-family stance of New Labour, Mr Blair's model of his party, is religious and authoritarian. Not guilty, in my view, although he is a Christian.

No main British party has propounded American practices such as executing murderers or chaining prisoners in gangs. Such crude populism has not drifted across the Atlantic towards its eastern shore. It is not in sight. Not yet.

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PERSPECTIVES

Studying the legacy of 'red' Rudi

Rudi Dutschke, the provocative left-wing student leader who aroused emotions from spontaneous enthusiasm to near-rabid antagonism, was shot in the prime of his short, turbulent life.

The murder attempt, made by a right-wing extremist, was preceded by a hate campaign, whipped up largely by the Springer press group - owner of Bild, the abrid right-wing tabloid - and it punctured the complacency of those who thought economic prosperity and the absorption of US culture could lay the ghosts of Germany's Nazi past.

He was always a democrat, although his Marxist-influenced definition of democracy was not one with which party politicians and most of the German population would agree - then or today.

Although he was at odds with much of German society, he never followed terrorists such as Ulrike Meinhof, Andreas Baader and Horst Mahler down the road to terrorism which gripped Germany in the 1970s.

He held long discussions with those who did go underground and planned the 1970s killings of prominent businessmen, bankers and officials. But he rejected their view that Germany was in danger again.

Exaggerated though her estimate of his importance may be, she feels Dutschke played a big role in helping prise Germans' identity loose from the last clutches of defeated Nazism.

politically active but kept a critical distance from the Green party whose existence as an alternative opposition she sees as part of his legacy in stressing the need for more tolerance in German life.

Andrew Fisher

Lunch with the FT Dreaming of big theatre over tiramisu

Nigel Spivey talks to the RSC's Adrian Noble

Puckish and dishevelled was how he appeared, and just as he should have. One expected nothing more.

of Italian Chardonnay by my napkin. "I'm rehearsing at two," he said, glumly. "The cast will be foraging snacks back at the theatre."

of that word, there is a corporate tincture to Noble's language. He talks in national and international expansion, of a quality product, of second-to-none service to the theatre-goer.



Noble sacrifice: Adrian Noble did his cast a favour by vigorously reminding himself of Provence rhythms

company, in the proper sense of that word. Whatever the proper sense of that word, there is a corporate tincture to Noble's language.

and wherever the company plays. What, I asked him, did his quality product offer young people?

hope the actors were mindful of the sacrifice undergone on their behalf by the chief, vigorously reminding himself of Provence rhythms.

tion of citizenship. It makes better citizens. Puts politics into perspective, d'you see; and creates a sort of emotional literacy.

"That's it. You see."

Pigging out in the US

Patti Waldmeir finds health food at Preble County's Pork Festival

I went to the Preble County Pork Festival because I wanted to see some pigs. But the people of Preble County do not use words so carelessly: if they had wanted to fête the noble pig, they would have said so. This was a festival of pork.



There were precisely two pigs present: one lay supine in a forgotten corner, and abandoned herself to the raucous suckling of her 10 porcine infants.

man carving up the pig, or to the lonely Pork Queen, a vision of blonde beauty in a rhinestone tiara cooking up hog recipes in an electric skillet.

would be no festival. "That's how you get people to come. You trick 'em," one of the organisers confided, careful not to reveal this secret to the browsing crowd.

violation: the polystyrene plates seemed a bit under-sized, and possibly flimsy; I feared they might fail the pork test.

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HOW TO SPEND IT



Tall, strong, blonde and beautiful: endocrinologist Tamara Voronina with a client. She jokes about starting a club on the correct use of the enema, called the 'Domestic Colonic Irrigation Club'

A therapy not to be sneezed at

Lucia van der Post set out to lose weight. But she found acupuncture had unexpected benefits

I know, I know... it has not been a good couple of weeks for the complementary therapy world or what journalist Keith Waterhouse has memorably dubbed the "ologies" - ie the panoply of alternative treatments ranging from reflexology and cosmology to aromatherapy, homeopathy and Reiki. But show a stressed-out working woman an "ology" and, believe me, many find it irresistible.

There I was one morning, toiling at the computerface, when across my desk dropped a beguiling promise of "effortless weight-loss". Even more than "ologies", the promise of "effortless weight-loss" is a siren call few of the female species can resist.

"Dr Tamara Voronina," said this intriguing bit of paper, "has developed a weight-loss programme using acupuncture. The programme is not only remarkably effective for weight-loss but produces a profound rejuvenation of the entire body as well." Wow! Two for the price of one... and all of it "effortless". Lead me to it.

Twenty-four hours later I was filling in forms in the carefully Feng-Shui filtered premises of the Good Health Clinic in Kensington, aching to begin effortlessly losing weight. Voronina is a qualified endocrinologist who hails from Ukraine and worked for a considerable time with victims of the Chernobyl disaster. She is tall, strong, blonde and beautiful with the sort of accent that goes with spiked vodka cocktails ("shaken, not

stirred") and raincoat-clad sleuths.

A full medical examination follows the form-filling. "You will drink no tea, no coffee, no alcohol, eat no dairy products, no red meat, bread, smoked foods. Try eat nothing until 11 in the morning - zis ven you will lose most weight - then plenty fruit and vegetables during day. Then in evening hav little chicken or fish or some porridge."

Effortless this is not. I refrain from mentioning that porridge is not often on the menu at the Ivy or that my friends seldom offer it when they invite me to dinner.

Voronina produces an impressive array of evidence to justify the hardships that lie ahead. We all eat too much. We overload our bodies. We are riddled with toxins. We eat too many calories and not enough nutrients so we store fat. Yet at the same time we are deficient in essential minerals. All this maltreatment throws out our body-clocks, upsets the hormonal balance, disturbs the insulin levels.

"Von other thing - liver cleansing, very important. First Epsom Salts and then enema every week. Clean gall bladder, gets rid of stagnant bile and toxins." Ukrainians are evidently made of stern stuff. Later, Voronina jokes that her friends tell her she has come to England specially to instruct the English in the correct use of the enema. She is thinking of starting a club, though she imagines she might call it the "Domestic Colonic Irrigation Club",

which she thinks sounds "more delicate".

Voronina's 14-day (ah, so it's not a life sentence after all) programme is designed to help the body back into its natural state, to normalise the insulin levels, to cleanse the gall bladder and reduce the size of the stomach.

So we proceed to the table and the needles are put in - two in the stomach for 15 minutes, others elsewhere;

I am thrilled. I have lost 4lb and my sinusitis has been cured

they are so painless I lose track.

I am to see Voronina almost every morning for the next two weeks, when I am checked over, weight taken and given acupuncture. She explains that the acupuncture stimulates the release of endorphin, the brain's natural pleasure hormone, which reduces craving for food.

It also balances the insulin - high insulin levels lead to drops in blood-sugar levels and strong feelings of hunger. As the hormones become balanced feelings of hunger should go.

We start off swimmingly. I am astonished at my ability to switch from tea and coffee to herbal tea and water. I decide that for two weeks anything is bearable and

obey instructions to the letter except for two (I am unable, feeble-willed as I am, to give up an evening drink and I cannot quite handle the... er... enema).

I lose three or four pounds in the first three days. Then I catch an almighty cold. Voronina pronounces she can no longer give me acupuncture for weight loss, she must give it for the cold.

"Otherwise my old teacher, he kill me. Must always treat patient as a whole." As my colds always turn into allergic rhinitis, which in turn becomes sinusitis involving weeks of misery, I am delighted to have my cold treated. I have trawled Harley Street looking for cures and explanations and have only ever been offered operations, antibiotics or steroid sprays.

Tamara (we are now on first-name terms) puts needles around my nose and ears. She gives me vitamin supplements and a homeopathic remedy or two. We continue with this until to my astonishment, for the first time in 25 years, I do not develop rhinitis or sinusitis. My cold behaves exactly like most other people's and disappears after a few days.

I can scarcely believe it. By now the fortnight is up and I am due to go on holiday. I am thrilled - I have lost 4lb and found a cure for the sinus problems that have plagued me for years.

When I ask around I find other people have had similar experiences. Ewa Lewis, social editor of Tatler, embarked on the weight-loss programme and then found other pressing prob-

lems being dealt with.

"Frankly," says Lewis, "the weight-loss programme works but I found it too stringent and schlepping to the clinic every day for a fortnight is a pain. But most of her patients want to see quick results and she delivers them."

"I think she is quite brilliant at dealing with all sorts of chronic problems. She approaches people holistically. We've known for a long time that Chinese medicine and acupuncture work and she combines this with her endocrinology training. Before you know it, you're being treated for all sorts of other things. She sorted out my thyroid hormonal problems so that I've been able to throw away my thyroxin and HRT pills."

Tamara tells me that most of her patients lose between 4kg and 5kg in the fortnight. "Lose just 3kg is bad result but that usually mean not do liver cleansing. Some patients lose 1 stone in three weeks. One person, she very fat, lose 20kg in three months. She now very slim."

She makes it clear that this is not a lifetime's eating plan. It is designed as a 14-day rebalancing programme, after which the insulin levels should be balanced, the stomach should have shrunk, the sense of smell, taste, sight and hearing should all be improved.

Three months on I find I still weigh 2kg to 3kg ("very

bad result") less but I still stick to the herbal teas and water instead of tea and coffee. I never did manage to give up alcohol altogether. I am one of her poorer efforts on that front but I don't much mind - I'm very happy to have swapped a cure for allergic rhinitis for the weight loss. Nevertheless, any day now I plan to go back... it would, after all, be nice to have both.

■ The Good Health Clinic, 189-186 Kensington Church Street, Notting Hill Gate, London W8 4DP. Tel: 0171-221 2266. The weight-loss programme costs £75 for the first hour's consultation and acupuncture and after that it is £35 an hour. Besides the weight-loss programme Voronina has found her acupuncture methods are particularly successful with stress, depression, allergies and premenstrual tension.

Other therapists at the clinic offer most of the usual therapies from massage (including Indian Body Massage, Manual Lymph Drainage and Holistic Swedish Massage), nutrition, kinesiology, Chinese herbal medicine and reflexology, to its new Mountain Air Treatment (also run by Voronina) which is recommended for all breathing difficulties. Prices range from £15 (though more normally £25) for half an hour to £30 and £35 an hour.

The charm of Chinoiserie

Those who associate Chinese furniture with the sort of garish, over-embellished pieces found in some of the cheaper emporia might like to know about two small shops in London that have just opened specialising in beautiful antiques.

Suzanna Murray and her partner Leo, who both grew up in Hong Kong, spent the summer in China buying. Now they are all set up with some lovely pieces on the corner of London's Fulham Road and Old Church Street. Most is 18th and 19th century, and there is everything from large wedding cabinets, tables and beds to smaller items such as rice buckets, stools and porcelain. Their tastes are for the simple and clean-lined and there is a particularly beautiful, finely carved, two-seater, wooden bench for £3,900 which, though it may seem expensive, is rare and fine. Look out, too, for simple red-lacquered, small chests for about £800 which would make interesting bedside or sofa-side tables. Snap

Dragon is at 239a Fulham Road, London SW3 6HY.

Rather larger is The Nine Schools which has opened what it calls its Antique Chinese Furniture gallery in Ifield Road. It has wedding chests, which are traditional family heirlooms, and other pieces of furniture, all of which survived the purges of the Cultural Revolution and have been found in towns in the northern and central provinces of China.

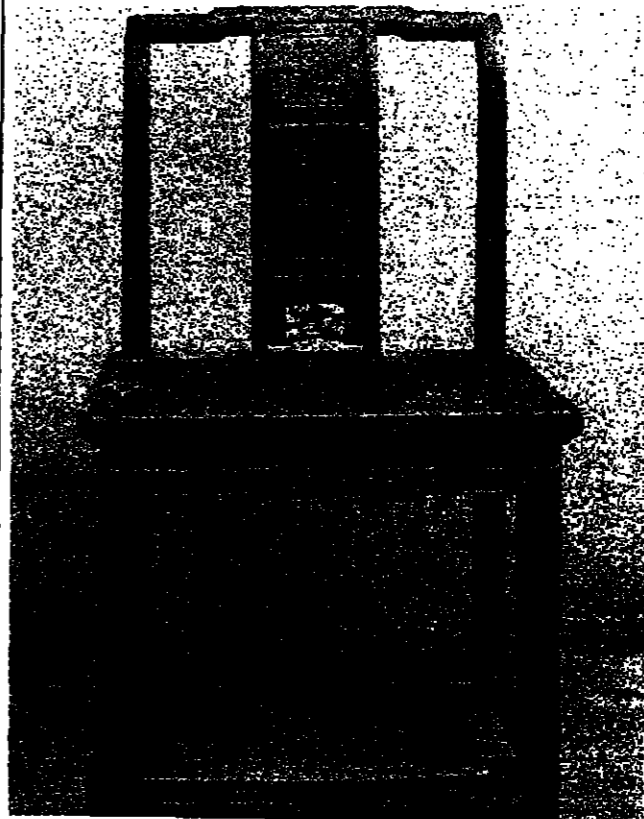
For those interested in smaller pieces there are red lacquer bowls, rice pots, water pails and lunch boxes. The traditional three-tiered food carriers from the Ch'ing Dynasty are well represented. Among the furniture look for fine dining chairs, a low cabinet with a pair of monk's chairs and a fine red lacquer wedding chest.

Nine Schools is at The Ifield Gallery, 121 Ifield Road, London SW10, and is open from 10am to 12 noon and 5pm to 7pm from Mondays to Fridays and 10am to 5pm on Saturdays.

L.v.d.P.



A 19th century Ch'ing Dynasty wedding candy box, £225 from Nine Schools



Fruitwood chair, one of six, dating from about 1880, £200 from Nine Schools

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HOW TO SPEND IT



A blank canvas - the unadorned Marina



John Gustafson of Dickins & Jones applies eyeliner to the lower lid



The finished portrait - natural and easy to apply

Making up can be hard to do

But there are now more places where you can learn how, says Avril Groom

You see the looks in all the magazines. You see the models strutting down the catwalk. You decide you, too, would like a little of that professional know-how. Nothing, they say, is so ageing as out-of-date make-up. So you are keen to learn, to update your image. There are schools for learning to play golf and learning to drive. But where do women go to learn the latest tips in make-up?

The easiest and most obvious place is the department store where the make-up consultants attached to the beauty houses dispense their knowledge and push their wares. But most work on commission and their advice is avowedly not impartial.

Today's young woman is aware of the need to protect skin from sun and pollution but the techniques of colour may elude her. She is wary of commercial influence and worried that make-up will swamp, rather than enhance, her assets. She sees supermodels made up to interpret each designer's concept (Valentino, Lacroix, Versace and Galliano are the consistent flatterers).

Feeling vulnerable by comparison, she would like advice plus practical help towards a confidence-boosting make-up that she can recreate at home. There have only been a few such sources, of which the best known is Joan Price's Face Place in Chelsea. Independent advice, however, is becoming more available, with emphasis on teaching the client to reproduce the look herself. Are the results really enhancing and easy to copy? To find out, we sent Weekend FT fashion assistant Marina Newland for advice on basic daytime make-up to three sources: one attached to a department store with access to 29 ranges, one from a trendy new brand and one independent.

Marina is 28 with fine, sensitive skin and positive, dark colouring. Because of allergies she admits to a minimal, rather haphazard skincare routine, uses little eyecolour (except for evening) and less lipstick. Here are our findings.

Dickins & Jones personal beauty studio, Regent Street, London W1, 0171-387 4947.

Location: newly opened, in-store studio, warm apricot-beige walls (nearest to skin tone), lots of daylight, curvy pale wood fittings, no clutter, calm and relaxing.

Consultant: John Gustafson - American, ex-Prescriptives and ex-CNN make-up artist, encyclo-

paedic product knowledge, sympathetic and client-friendly approach, set up project to his own design emphasising impartial advice using the products he likes best.

Method and tips: consultation up to two hours. Extensive questioning on lifestyle and attitude to make-up - "no point suggesting style or colour customers won't use".

"If you work with a VDU screen always use skin products containing a sunscreen because of the UV rays." Suggests Marina's allergy is due to blue colourant in some eye colours and skin lotions. "In this case expensive is not necessarily better: use colourless, perfume-free products." For foundation, "match it to skin at jawline, not inside wrist. Mixing it with Kanebo 10-second Essence gives a smooth finish."

If you wear little make-up "concentrate on your best feature - in Marina's case, her great lipline. Eye colours can be very simple, a light base plus one deeper shade. For evening, add a tiny touch of a metallic to complement jewellery. Unless you have deep lids, eyeliner above can make the eye look smaller. Put it below, in tiny dots which you blend with shadow on a cotton bud.

"Always put blusher on standing away from the mirror or it will look too heavy. Outline lips with an eyeliner brush for a really sharp line. Work lipstick with a brush from outside of mouth for a soft, round shape. Add a deeper gloss for evening." John picked out an eyeshadow palette Marina already uses, but suggested more emphatic tips.

Cost: advice is free - products are sold at usual retail price. The first eight studio customers spent £3,000 between them, but there is no pressure to buy.

Marina's verdict: "I trust John. He listens, and shows exactly how to do it. I thought at first he had used too many products at once and my skin reacted a bit but now I'm working through them and it's fine."

Conclusion: excellent comprehensive service in inspiring surroundings. Makes the best of you as an individual with total concentration on each aspect of skincare and make-up.

Product list: Eye make-up remover: Guerlain Odelys. Cleanser: Shiseido Cleansing Water. Moisturiser: Shiseido Pureness Emulsion. Foundation: Givenchy Hydra-Mat No.3 plus Kanebo 10-second Essence. Powder: Givenchy Ivory Prism. Brows: Elizabeth Arden Eyeliner Espresso. Eyeshadow: Chanel



Tamara Adam of M.A.C. defines the outline of Marina's lips



Stephen Glass of Face Facts chooses purple for Marina's eyes

Photographs: Lydia van der Meer

Fauve palette. Mascara: Elizabeth Arden Rich Brown. Blusher: Chanel Natural Lipstick: Chanel Rouge Noir. Gloss: Prescriptives Fig Stain.

M.A.C., 28 Foubert's Place, London W1, 0171-439 0501. Also at 109 King's Road, London SW3, and Harvey Nichols, Knightsbridge, London SW1.

Location: modern, mono-

chrome but not quite minimalist, retail shop with individual make-up "stations" for experimenting and advice. Busy atmosphere, loud music, but also small private room. Staff friendly and very hip, with tendency to tattoos and body-piercing.

Consultant: Tamara Adam - trainer of creative artists for the London shops. The range was invented 11 years ago by a Cana-

dian make-up artist for photoshoot work. Likes to experiment on herself, e.g. frosted mauve cheeks and lips, but totally concerned with client's wishes.

Method and tips: make-up lesson can last 90 minutes. Initial discussion of needs - "look needs to be client's perception". Basic, simple skincare products, all with sunscreen and anti-oxidants, but main emphasis on col-

our cosmetics. Halfway through each stage hands over for Marina to practise.

Shows how products can be multi-functional and how to use a variety of brushes.

"Make-up is all careful blending with the right brushes. Put concealer right round eye as a smooth base and to mask shadows before adding foundation. Use tiny amounts - mix on hand first and apply with brush from there. Always brush downwards, in the direction of the hairs.

"An angled brush is essential for eyes. Use it for powder eyebrow colour; remove excess with a spiral brush. Dip brush in colour and tap off excess - build and blend slowly. Use a pale shadow base all over eye and then work and blend darker colour into socket." Some products are multi-functional - for instance, brow colour and cheek contour ("follow cheekbone line towards top of ear").

"For lip outline, start at centre of bottom lip and work out. Frosted or light lips look bigger, and frosted shadow on browbone and outside eye opens eyes wide for evening."

Builds up a cat's-eye evening glamour look, including touch of shimmery blue eyeliner which Marina loves. Full product list includes each brush used.

Cost: make-up lesson £80. 40-minute special occasion make-up £25, at M.A.C.'s own shops; free at Harvey Nichols "because there's less privacy, but book at least a month ahead. A "try before you buy" approach, so there is no obligation but few can resist colours or brushes.

Marina's verdict: "I love this look. I appreciate having one product for several uses and there are some great ideas, like dark navy mascara, which I'd never considered before. Everything is very carefully explained."

Conclusion: instant supermodel glamour. Fit for a photoshoot. Excellent advice and demo for any age once you get past the funky image but skincare sketchy by comparison.

Product list: Toner: PA-S herbal derivative (sensitive skin). Moisturiser: EP-S environmentally protective. Concealer: CG (for yellow-based skin). Foundation: C4 Studio Fix foundation/powder. Cheek and Eye Contour colour: Symmetry. Blusher: Spring Peach. Eye base and lid colour: Vapour. Eyeliner and eyebrow colour: Concrete. Evening eyeliner: Laser. Mascara: Navy. Lip outline: Spice. Lipstick: Modum.

Face Facts, 73 Wigmore Street, London W1, 0171-486 8357.

Location: small, white upstairs room crowded with every imaginable product from top labels. Client sits in red dentist's chair with hand mirror to see minutiae of work progressing. Accompanying friends sit outside.

Consultant: Stephen Glass, trained with Elizabeth Arden, now independent make-up artist with huge knowledge of new ranges and slightly "nanny knows best" approach. Has partner who advises on clothes and colours for whole image package.

Method and tips: 90-minute consultation. Starts with questions on skin needs, sensitivity and present products. "Many women do not understand what skin tone they have, so use unsuitable colours. Basic tones are yellow or blue and make-up must harmonise. Also, drier skins are absorbent and need positive colours which last. No skin type adapts well to sun; always use products with sunscreen."

Advises on skincare - suggests Guerlain's Odelys range for sensitive skin - but only uses, and sells, Matis range.

Plucks Marina's eyebrows severely, which looks good but unnerves her. "Always use eyelash curlers to make eyes look wide. Plastic ones are pain-free." Works each colour stage carefully so client can see in hand mirror how to do it. Keen to introduce colour and makes decisions firmly. "Browns on Marina's dark skin would be dull. Purples and plums suit her skin tone", but Marina feels they do not. Result is a more assertive and obviously made-up look.

Cost: £75, including make-up chart and product list. Skincare products and own range of good telescopic brushes for sale.

Marina's verdict: "It was hardly the natural daytime make-up I wanted. He did not really explain his colour choices, which seemed over-bright and made my skin react. He did not warn me he was using purple mascara. The approach was old-fashioned."

Conclusion: better suited to the customer who wants an image makeover and is prepared to put herself totally in his hands.

Product list: Concealer: Yves St Laurent Radiant Touch. Foundation: Chanel Eclat Mat Powder. Cheek Mat Duo. Eyeshadow (lid): Dior Mauve Duo. Mascara: Dior Fascination Violet. Powder Blusher: Clinique Plum Gorgeous. Lip Liner: Dior Blackberry Mauve. Lipstick: Dior 487 and Clinique Black Lilac gloss.

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FASHION

Gucci floats in another dimension

The cutting edge can be an uncomfortable place, says Marion Hume, but some designers scored hits with brilliant colours

How are the mighty fallen, or at least, tripped up. The one prediction that one felt secure in making before the Milan collections for next spring were revealed last week was that Gucci, the current fashion force, would be triumphant. Yet it stumbled.

Gucci is, without doubt, the hottest brand name in the world now. The share price has risen spectacularly and the shops, from Sloane Street to Sydney, are mobbed by those desperate for the right Gucci handbag or the slinkiest, sexiest pair of trousers around. Even movie stars pay for their Guccis (at a discount), while they expect to get most other designer merchandise free.

Not only those who shop at Gucci were keen to know what Tom Ford, Gucci's American designer, would come up with. Those who make a living "interpreting" (otherwise known as copying) designer trends were desperate to know in what direction he would take fashion. But his lead of super-skinny, bootleg-flared, unfor-giving trousers, slashed to the ankle over high-heeled pixie boots, is not one most will want to follow. Neither are strapless, draped dresses that appeared to have too little fabric at the bust and too much over the hips.

For next spring, the Ferragamo collection was a safe version of last season's Gucci. Next time, Ferragamo and the legions of others who have been so influenced by Gucci will look elsewhere.

So what went wrong? The collection looked as if it had been designed on paper, rather than in cloth, in two dimensions rather than three. Super-tight clothes looked as if they could not live off the catwalk, where all that is required is that slim women walk one way, turn and walk back.

You could not imagine sitting in them, let alone eating or dancing in them. As for the baggy boob tubes and the strapless dresses, you would be scared to go out of the house in case you revealed all.

The peril of being on the cutting edge is that one slip and it is an uncomfortable place to be. Tom Ford is a smart designer who will recover. All those obsessed with fashion have already written off next spring's collection and are wondering what he will do for his comeback.

Overall, fashion is in a romantic mood, which is good news for fans of Dolce e Gabbana's corsets and wisps of chiffon. But only a designer as resolute as Jil Sander could offer austere clothes and not be tempted



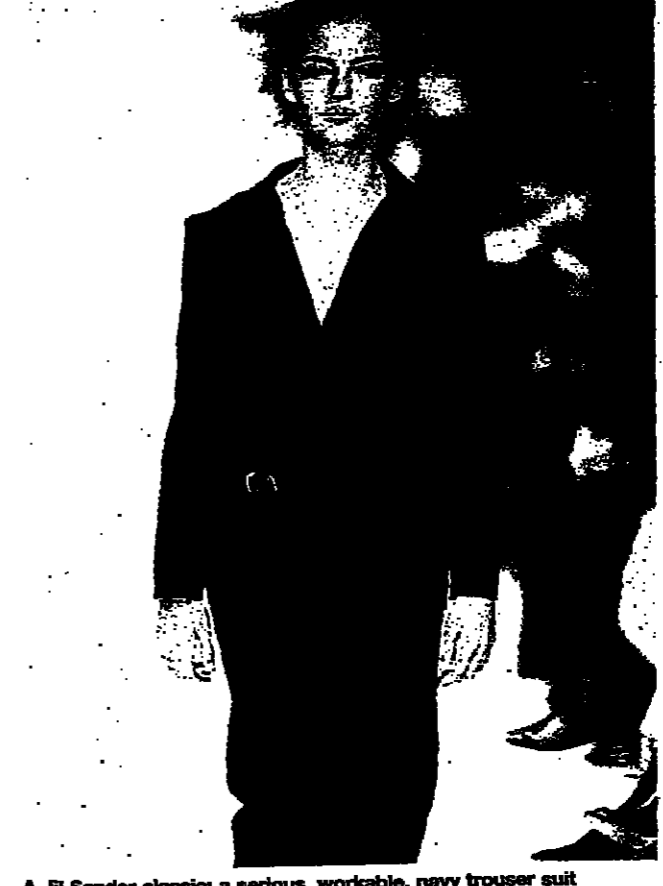
Oriental romance in duck-egg blue: embroidered evening coat from Dolce e Gabbana



High-coloured floral print with 'burnt away' transparency from Versace



From Gucci, one of the hottest brand names in the world: perilous knitwear and brown, super-skinny trousers



A Jil Sander classic: a serious, workable, navy trouser suit updated for the 1990s



Missoni, back in fashion again: Technicolor jacket and vivid mismatched dress

to add a single flounce or frill.

Despite the present taste for things sweet, her sombre collection included distinctly desirable clothes for those who want to walk rather than waft through life. Her unadorned, short, white

trench coat, her sleeveless vests, her immaculate trouser suits will continue to please those with no affection for ruffles.

As for who will be the biggest influence across the board, the answer, happily, must surely be Missoni. This

is a case of what goes around comes around, because Missoni knits have been in, out and back into fashion again over the past couple of decades. Delicately bright swinging tunics, chalky bright knitted patchwork trousers and eveningwear, that fused colour and sequins with the relaxed, resort shapes you would wear after a day on the beach, were lovely.

One of the best things about Missoni is that there is something for everyone who wants to wear colour, regardless of age or size. At the packed supper party after the show, one could spot young girls wearing new Missoni. And there was vintage Missoni on women who had unearthed their old Missonis and were wearing them with pride. They are now much prized on the second-hand and auction market.

Prada has become one of the most important labels in the fashion firmament, and for next spring the company that established its reputation on military looks in black nylon was also in a romantic mood. There was little to wear for day (unless sheer chiffon and visible knickers is your idea of what to wear to the office), but for

evening the lush navy satins embroidered with bamboo leaves and the featherweight chiffon cardigans in Mandarin style were beautiful.

China is a big "story" in fashion. If you are doing business with east Asia, this is the moment to change your mind about those delicate, asymmetrical fastening blouses, those rich, embroidered textiles that you have long loved but thought would look like native costume back home. Instead, people will be asking if you have acquired a Prada charge card.

Gianni Versace and Giorgio Armani used to be the twin axes around which Italian fashion turned. Now they are the industry giants whose achievements are respected but whose design offerings are rarely anticipated with baited breath.

Versace's fun-loving fans may find his new appreciation of grey (traditionally more to Giorgio's taste than Gianni's) surprising, although some vivid floral patterned pieces, selectively "burned away" to give transparency and a view of one's knickers, were skilful and seemed more to his style.

As for Armani, I found the daywear, on which the maestro of Milan built his awe-

some reputation, to be lacklustre and of strange proportion. One vintage-style wrap coat, which swathed across the body ending in a single gob-stopper sized covered button above the hip, was the oddest Armani garment I have ever seen. But there

were some superb pieces among the eveningwear, just right for a time when women are searching for the delicate detailing more associated with vintage clothes, yet without the bulk of old-fashioned construction.

Armani's fluid and feather-light gowns, richly encrusted with vintage-looking jet embroideries, were gloriously decorative yet airy and modern. I doubt there will be any eveningwear to top them at the shows in Paris and New York over the next couple of weeks.

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PROPERTY

For the first time this decade, parts of London are seeing the kinds of house price rises which dominated dinner party conversations during the 1970s and 1980s.



Some houses have doubled in price in Wandsworth as demand for its 'village environment' has increased. Fotos Weiss

Leafy outliers move up a league

Prices in some London areas are soaring, says Anne Spackman

John D. Wood's Wandsworth office has just sold a five-bedroom house in the area known as the "fast rack" near the common for £550,000, which the owners bought in 1982 for £250,000.

Wood says: "A few years ago people were coming here saying they had been told to look in Wandsworth and were asking for a tour of this unknown area. We would have to show them where the station was."

Suburb, all of which have seen strong price growth over the past two years. In Wimbledon, John D. Wood has just sold a house in Bathgate Road for £700,000, which was bought in June for £470,000.

they have to move somewhere like Chiswick or Wandsworth for a house. Once they would have moved out to Surrey. Now, the modern way of working with longer hours and possibly both parents working, no longer allows for that.

London Underground have a tube site on the Greenwich peninsula, designed to service the proposed millennium celebrations. If that opens, along with the new Jubilee stations on London's south-east fringes, the area will become more accessible.

South: in the east, it includes Dulwich, Greenwich, Blackheath: in the north it lists Muswell Hill and Mill Hill; and in the west, Ealing and Putney. What these areas tend to lack, however, is good public transport.

Given the success of Wandsworth and Clapham Common, its south London neighbours have got to look a reasonable bet. Comyn says he used to find it difficult to persuade Wandsworth buyers to look at family houses in Tooting and Streatham. This year, for the first time, properties are selling.

London Underground have a tube site on the Greenwich peninsula, designed to service the proposed millennium celebrations. If that opens, along with the new Jubilee stations on London's south-east fringes, the area will become more accessible.

On The Move Strong demand for farmland

More than £15m was paid last week for the Croome Estate in Worcestershire in the largest single agricultural transaction of the year. It is the latest evidence of the continuing strength of demand for farmland, in spite of proposed cuts in arable area and set aside payments.

increase in buyers house-hunting in the home counties, particularly Surrey and West Sussex. Hamptons' Hong Kong office predicts a fall-off in demand from Hong Kong purchasers in the period up to the hand-over on July 1 next year.

Hamptons International reports in its autumn magazine a growing demand from Singaporean buyers for property in London and the country.

Glabe House, an early Victorian rectory on the edge of the popular Hertfordshire village of Old Knocworth, is being sold by Bryan Bishop and partners (01438-718877) with a guide price of £1.2m.

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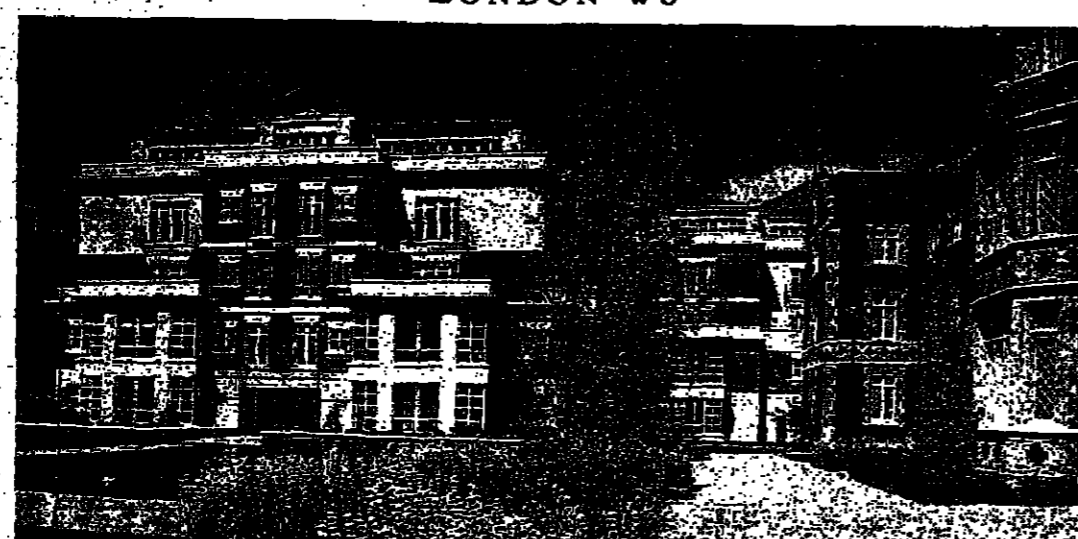
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SPORT

Sporting Profile

A flying finish for horse and rider

Keith Wheatley talks to Britain's top rider about an incredible year

One day, Britain's top event rider Mary King will look back on 1996 as the most extraordinary spell of her career...

The wins took place at Thiristane Castle (the Scottish championships), Gatcombe (the British Open championships)...

King is all smiles as she narrates the incredible sequence, breaking off only to wipe daughter Emily's nose...

"When I'm out at an event, on my horse and going, there's just no difference at all in how I ride...

"When I had mistakes at Badminton and other competitions in the spring, I'd keep hearing odd things, rumours...

"I felt so determined to prove to them it was nothing to do with my baby. It was great to show them all..."

Quiet determination rather than flamboyant exhibitionism has always been her style...

details of King William's bloodline have ever been discovered but he turned out to be a star...

"I've had so much pleasure and success with him. Won Badminton, which very few horses have done..."

Star Appeal, her Burghley winner and future prospect, is a bit of a tearaway across country...

"Poor William. He's not a careless horse but he does get extremely tense and worried when he's in a big stadium with large, excited crowds...

Atlanta tested William and King's relationship to breaking point, but she is still passionate about wanting an Olympic gold medal...

"Dressage was the best test I've ever ridden and, I gather, the best score there has ever been at an international three-day event..."

"We wibble-wobbled our way up a group of four fences, never really getting a straight line. We ended



up at the last element crooked and William refused, the first time he'd ever done it. King says "I thought I don't believe it. Why now? I could feel the gold medal melt in front of my eyes..."

husband David busy on the nearby beef farm - ambition still burns firm in King. Is Sydney 2000 motor coach, even after the bitter taste of Atlanta?

sport without a degree of ego. The appealing thing about event riders is the way they transfer their ambitions to the horse.

Stock-car racing Rednecks come of age

Todd Shapera on the NASCAR circuit

For several decades following its inception in 1948, NASCAR stock-car racing was largely a regional sport concentrated in the rural, southern US.

Today, no longer mocked as a redneck, fried-chicken circuit, NASCAR's national popularity is surging and is saying claim to having the fastest growing attendance of any major US sport in the 1990s.

"Nascar has been a 20-year overnight success," says Darrell Waltrip, a champion driver since 1972, whose 84 victories rank third highest in the sport's history.



Bigger than baseball or golf: final preparations for the Pocono 500

Todd Shapera

ning one of his seven championships. This year's pool is \$4m, with \$1.5m going to the overall winner.

Similarly, in NASCAR's early decades, drivers often sought small funding from local restaurants or car dealers...

But that is not all. Secondary sponsors offer between \$250,000 to \$1m for the right to have smaller, less prominent decals, turning some cars into \$8m to \$10m, 200mph billboards.

lous vanity spending. For competitive cars, the televised races become three-hour advertisements for their products. And fan loyalty to brands of Nascar sponsors is believed to be exceptionally high.

Reflecting NASCAR's emergence from its southern cocoon, today battling around the track with old standbys in auto parts, motor oil, tobacco, and beer...

While Waltrip says he feels relaxed on the track, pressures from running a business with multi-million dollar overheads and rapidly escalating costs can be unrelenting.

He adds that sponsor demands for up to 30 personal appearances per year, the 10-month travel schedule and the crush of huge crowds, can also strain a driver's folksy persona.

Devoted fanatics

Todd Shapera mingles with a loyal following

It is sunrise on Sunday morning in the rolling hills of eastern Pennsylvania - race day for the Pocono 500, one of 32 stops from mid-February through to mid-November...

Although fans arrive at most US sporting events within an hour of the start of the contest, at this Nascar venue the infield is far from deserted six hours before the starter drops the green flag...

Track officials estimate that 35,000 fans camped overnight on the infield of the 2.5 mile oval. (By race time, that will nearly double, with another 95,000 packing the grandstands.)

A warming summer sun floats on a US flag that floats over the infield. Nearly as prominent are black and gold signs promoting this race, the Mirrier 500, and red and white billboards for Nascar Winston Cup Series.

Across the Pocono infield, recreational vehicles are parked in neat rows, their windows tinted with the glare of flash bulbs.

Leaving Blackmore's position, I approach a Winston booth where fans line up to ride in a race simulator. Many also take advantage of Winston's offer to exchange two empty packs for new cigarettes.

By 9am, hundreds of fans who purchased special passes are milling in the garage area as mechanics go through final checklists and Nascar inspectors assure that cars meet rigorous safety and competitive standards.

pauses to autograph a fan's sun visor. Seventh-time champion Dale Earnhardt confers with his crew and is greeted with the glare of flash bulbs.

With this following, sales of strictly Nascar merchandise has roared past \$500m per year - this does not account for sales of sponsors' products.

Undeniably, contributing to the thrill are the races themselves - with cars at 180mph to 200mph entering turns three or four abreast six inches apart, and occasionally rubbing sheet metal.

MERCEDES SLK New From Stock 0049 9421 10036 Fax 9421 80823

Last week's preliminary results

Table with columns: Company, Sector, Year, Pre-tax profit (£000), Earnings per share (p), Dividend per share (p). Lists companies like Amal Asia, British, European, etc.

Results due next week

Table with columns: Company, Sector, Amount due, Last year interim, Final, This year interim. Lists companies like Albert Fisher, Allied London Props, etc.

Directors' share dealings

Table with columns: Company, Sector, Shares, Value £000, No of directors. Lists companies like SALES, Devro International, EIS group, etc.

Interim dividends

Table with columns: Company, Sector, Dividend, Date. Lists companies like Aberdeen Spillers, Aude Properties, etc.

Last week's interim results

Table with columns: Company, Sector, Pre-tax profit (£000), Interim dividend per share (p). Lists companies like Arcadian Int, Asstic Food, etc.

Current takeover bids and mergers

Table with columns: Bidder, Target, Bid price, % of shares, Status. Lists companies like British Data, Coler Gas, etc.

Bids/deals

NatWest Markets produced one of the week's largest deals by acquiring Hambro Magan, a merchant banking 'boutique'...

In the Pink

Why reform of the current tax system is a necessity

We need to be fairer to everyone while accepting that revenues must rise or spending must fall, says Brian Reading

Brian Reading is a director of Lombard Street Research. Before the general election of 1992, Labour promised, truthfully, to raise taxes - and lost. Today, its present leader, Tony Blair, has pledged "to keep the promises Labour makes on tax".

What people earn, measures what they put into society. What people own, measures what they enjoy individually without benefit to others

What people earn, measures what they put into society. What people own, measures what they enjoy individually without benefit to others. This does not rule out tax reform. In an article in The Economist on April 24 1976, I argued the case for the flat rate income tax.

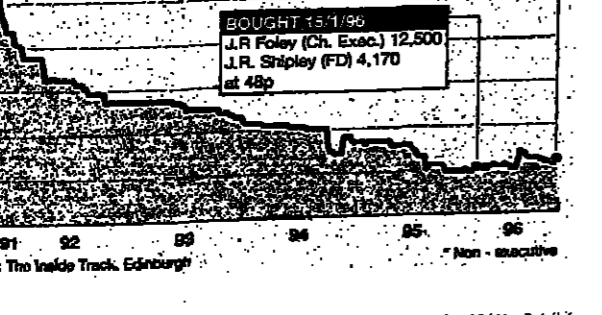
We like to give our offshore investors a few little extras.

(Like more money.) It's tough for any offshore account to pay more than we pay ourselves. We're sure of it, because we go out our way to make sure of it. So if your accounts with someone else, chances are it's not making you as much money as it could.

Woolwich Guernsey advertisement. Text: 'I'd like more money. Please send me more details about the Woolwich Guernsey Sterling International Cross Account.' Includes contact information for Woolwich Guernsey.

Order

John Morton of Jostice (formerly Baris Holdings) is perhaps the most notable of the week's share price rises after a somewhat static three years.



Right issues: Jostice is to raise approx. £10m via a 1 for 4 at 80p rights issue. Offers for sale, placings & introductions: Office is to raise £5m via a placing.

FT MANAGED FUNDS SERVICE

Authorised and Insurances

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Table of FT Managed Funds Service listing various unit trusts and their performance metrics.

Table of FT Managed Funds Service listing various unit trusts and their performance metrics.

OTHER UK UNIT TRUSTS

Table of Other UK Unit Trusts listing various unit trusts and their performance metrics.

PROPERTY UNIT TRUSTS

Table of Property Unit Trusts listing various unit trusts and their performance metrics.

The Financial Times plans to publish a Survey on Friday, November 22

For further information on advertising please contact: Kirsty Saunders in London Tel: +44 171 873 4823 Fax: +44 171 873 3204 or Emma Pio Tel: +45 3313 4441 Fax: +45 3393 5335

FT Surveys

Table of FT Surveys listing various surveys and their performance metrics.

Table of FT Managed Funds Service listing various unit trusts and their performance metrics.

Table of FT Managed Funds Service listing various unit trusts and their performance metrics.



Insurances, Money Markets and Other

FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Table of insurance and other financial products including General Insurance, Life Insurance, and various investment funds. Columns include product name, provider, and price/return details.

Table of FT Managed Funds Service products, categorized by provider such as Scottish Provident, Sun Life, and others. Includes fund names and performance metrics.

Table of Money Market Trust Funds, listing various investment vehicles and their current values and returns.

Table of Money Market Bank Accounts, detailing different banking products and their associated rates and terms.

Money Market Trust Funds
Detailed information and notes regarding the trust funds listed in the adjacent table.

Money Market Bank Accounts
Detailed information and notes regarding the bank accounts listed in the adjacent table.

Money Market Bank Accounts
Additional details and notes for specific bank account products.

Money Market Bank Accounts
Further details and notes for bank account offerings.

Money Market Bank Accounts
Continuation of details and notes for bank accounts.

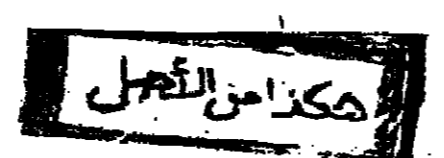
Money Market Bank Accounts
Additional notes and details for bank account products.

Money Market Bank Accounts
Further details and notes for bank account offerings.

Money Market Bank Accounts
Continuation of details and notes for bank accounts.

Money Market Bank Accounts
Additional notes and details for bank account products.

Money Market Bank Accounts
Final details and notes for bank account offerings.



FT MANAGED FUNDS SERVICE

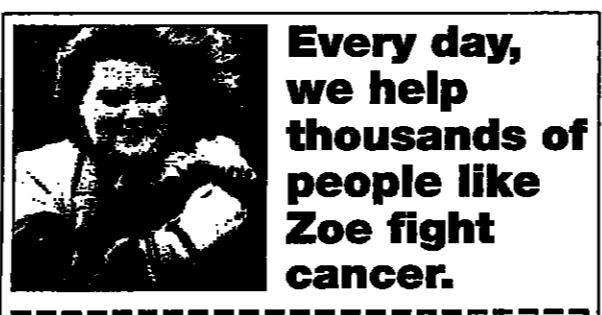
FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (444 171) 873 4378 for more details.

Offshore Insurances and Other Funds

Main table of fund prices with columns for Fund Name, Price, and Change. Includes sections for FT Cityline Unit Trusts, Offshore Insurances, and Other Funds.

OTHER OFFSHORE FUNDS

Table listing other offshore funds with columns for Fund Name, Price, and Change.



Every day, we help thousands of people like Zoe fight cancer. Give people with cancer a fighting chance. Over 90p in every £1 donated goes directly into our vital research.

Form for donating to the Imperial Cancer Research Fund, including fields for name, address, and signature.

Imperial Cancer Research Fund. Please return your donation to: Imperial Cancer Research Fund, FREEPOST (WC366G3), 41, Bedford Way, London WC1E 6HT.

MANAGED FUNDS NOTES. Please see in person or via telephone for more details. This is a summary of the key features of the funds listed in this advertisement.

figures

new high

drops on

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Oct 11 / US\$)

Table of stock market data for North America, including various indices and individual stock prices.

EUROPE

AMSTERDAM (Oct 11 / Gld)

Table of stock market data for Europe, including various indices and individual stock prices.

Advertisement for Peregrine featuring an eagle and the text 'Asia - Buy, Sell or Hold? Speak to Peregrine, the leader in Asian equities, derivatives, country funds, fixed income securities and GDR's.' Includes contact information for Hong Kong, London, and New York offices.

INDICES

Table showing various stock market indices and their performance over time.

US INDICES

Table showing US stock market indices and their performance over time.

AFRICA

Table showing stock market data for Africa, including various indices and individual stock prices.

PACIFIC

Table showing stock market data for Pacific regions, including various indices and individual stock prices.

INDEX FUTURES

Table showing futures market data for various indices.

US INDEXES

Table showing US index futures data.

AFRICA

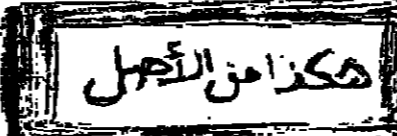
Table showing African index futures data.

PACIFIC

Table showing Pacific index futures data.

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Small print and legal notices at the bottom of the page.



WORLD STOCK MARKETS

PPI figures lift bonds, then Dow Bigger fish outpaced by Finnish minnow

Greg McIvor highlights improved fundamentals

AMERICAS

A strong bond market and signs that inflationary pressures remained in check helped US shares to recoup more than half of the losses made earlier in the week...

of 1.247.56 set on Monday and then proving unable to hold on to all of the gains. By early afternoon it was 8.83 stronger at 1,245.80...

would be flat because of "foreign exchange developments". The company said that fourth quarter and full year figures, however, would show growth...

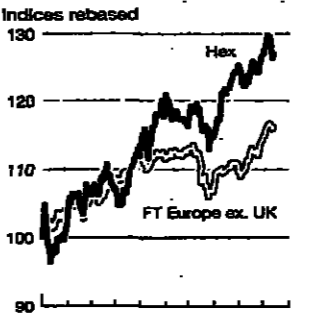
after Morgan Stanley upgraded its rating on the company to "strong buy" from "outperform". TORONTO moved higher during the morning...

midsession. The market had lost 2 per cent during the previous session as investors moved on rumours, first circulated in a local tabloid paper...

Helsinki may be a minnow by international stock market standards, but its performance this year has left bigger fish trailing in its wake...

of Gyllenberg Asset Management in Helsinki, believes that the market's surge this year has been due mainly to improved fundamentals...

weight of the forestry sector to 18 per cent. However, analysts suggest that the forestries, and companies in heavy manufacturing sectors are today far better equipped to weather cyclical swings...



Three new highs, Fiat hits 3-year low

EUROPE

Positively influenced by the US PPI figures, both COPENHAGEN and OSLO registered new all-time highs, along with BUDAPEST which closed earlier...

dropped from DM8bn to DM6.1bn and most of the big blue chips were relatively quiet, although chemicals moved ahead again after industry figures which indicated improvement in the third quarter of 1996...

the day's highs at 1,247.12, up 11.49. Bouygues Telecoms alliance with STET of Italy caught investors' imaginations and the diversified construction group rose more than 4 per cent in heavy volume...

acquisition. Eurotunnel continued to recover, rising 25 centimes to FF7.90 after positive comments from the company. AMSTERDAM closed higher thanks to solid buying of internationals like Philips and Royal Dutch Shell...

UBS up SF7 to SF1,257. CS Holding lost SF1 to SF1,217 as the group failed to fulfil expectations that it would take the opportunity of yesterday's extraordinary shareholders' meeting to detail when, and in what form, it might dispose of its stake in Elektrowatt...

THE WEEK'S CHANGES

Table showing percentage changes for various European indices like Milan, Helsinki, Frankfurt, Zurich, Paris, and Amsterdam.

THE WEEK'S CHANGES

Table showing percentage changes for various Asian indices like Seoul, Hong Kong, Sydney, Tokyo, Jakarta, Singapore, and Bangkok.

THE WEEK'S CHANGES

Table showing percentage changes for various Latin American indices like Sao Paulo, Bogota, Lima, Santiago, and Caracas.

THE WEEK'S CHANGES

Table showing percentage changes for various African and Middle Eastern indices like Johannesburg, Cairo, and Tel Aviv.

THE WEEK'S CHANGES

Table showing percentage changes for various other global indices like Moscow, New York, and London.

JAL drops on profits worries

ASIA PACIFIC

DEYO finished slightly higher but many investors chose to sit out the day between Thursday's national holiday and the weekend. West Japan Railway (JR) started its stock debut on Tuesday...

store in Tokyo last Friday, rose to ¥1,670, and Isantan by ¥30 to ¥1,530. In carmakers, Honda recovered ¥20 to ¥2,710 and Mazda YD1 to ¥518...

THE WEEK'S CHANGES

Table showing percentage changes for various Asian indices like Seoul, Hong Kong, Sydney, Tokyo, Jakarta, Singapore, and Bangkok.

THE WEEK'S CHANGES

Table showing percentage changes for various Latin American indices like Sao Paulo, Bogota, Lima, Santiago, and Caracas.

THE WEEK'S CHANGES

Table showing percentage changes for various African and Middle Eastern indices like Johannesburg, Cairo, and Tel Aviv.

THE WEEK'S CHANGES

Table showing percentage changes for various other global indices like Moscow, New York, and London.

LONDON EQUITIES

Table listing various London equity indices and their performance, including British Funds, Other Fixed Interest, and various industry sectors.

TRADITIONAL OPTIONS

Table showing traditional options data for various companies like British Airways, BT, and British Telecom.

LONDON RECENT ISSUES: EQUITIES

Table listing recent equity issues in London, including company names, issue sizes, and prices.

RIGHTS OFFERS

Table listing rights offers for various companies, including issue size, price, and closing price.

FT 30 INDEX

Table showing the FT 30 index performance over time, including daily, weekly, and monthly changes.

TRADEPOINT INVESTMENT EXCHANGE

Table showing TradePoint Investment Exchange data, including volume and value.

FT/SP ACTUARIES WORLD INDICES

Large table showing FT/SP Actuaries World Indices for various countries and regions, including US, Europe, Asia, and Latin America.

FT GOLD MINES INDEX

Table showing the FT Gold Mines Index performance over time, including daily, weekly, and monthly changes.

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LONDON STOCK EXCHANGE - DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. The data is now delivered by Extel, part of Financial Times Information Services. Details relate to those securities not included in the FT Share Information Services. The prices are those at which the business was done in the 24 hours up to 5.15pm on Thursday, they are not in order of execution but in ascending order which denotes the day's highest and lowest trades. For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date. * Bargains at special prices. * Bargains done the previous day.

Table of financial deals including sections for British Funds, UK Public Boards, Foreign Stocks, and Debt Issues. Lists various securities, their prices, and transaction details.

Table of financial deals including sections for British-American Tobacco Co, British American Tobacco Co, British American Tobacco Co, and British American Tobacco Co. Lists various securities, their prices, and transaction details.

Table of financial deals including sections for British American Tobacco Co, British American Tobacco Co, British American Tobacco Co, and British American Tobacco Co. Lists various securities, their prices, and transaction details.

Table of financial deals including sections for British American Tobacco Co, British American Tobacco Co, British American Tobacco Co, and British American Tobacco Co. Lists various securities, their prices, and transaction details.

Shares rac

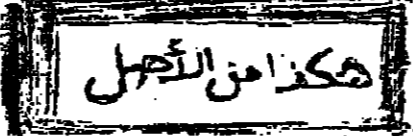
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LONDON STOCK EXCHANGE

UK shares race higher after bullish US data

MARKET REPORT

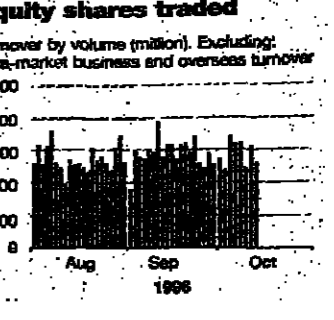
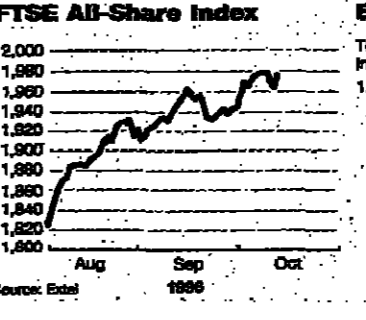
By Steve Thompson, UK Stock Market Editor
UK stocks ended the week with a flourish, responding mainly to a burst on Wall Street and expectations that another round of UK takeover bids could be about to be launched.

producer prices, both of which indicated the US economy was growing within acceptable limits. There was some confusion over the retail sales details, which were initially interpreted as bullish, but were later seen in the light of a revision to the previous month's figure.

There was no doubting that Wall Street provided the most influential boost to sentiment in London. The Dow Jones Industrial Average shot up over 50 points shortly after the opening of trading in the US yesterday, in the wake of encouraging economic news on retail sales and

producer prices, both of which indicated the US economy was growing within acceptable limits. There was some confusion over the retail sales details, which were initially interpreted as bullish, but were later seen in the light of a revision to the previous month's figure.

Around the trading desks the feeling was that London, and Wall Street, would take another run at new record highs in the short term. Features came thick and fast. Speculators again pinpointed Zeneca as a potential bid target, although cynics described the shares' upsurge as "the typical Friday ramp", while Commercial Union was again seen as attracting an overseas predator.



Indices and ratios table with columns for Index Name, Value, and Change.

FTSE 100 Index table with columns for Index Name, Value, and Change.

TRADING VOLUME IN MAJOR STOCKS

Table listing trading volume for various major stocks including AstraZeneca, BP, and others.

EQUITY FUTURES AND OPTIONS TRADING

Table showing trading data for FTSE 100 Index Futures and Options, including Open, Settle, and High/Low values.

Upgrade boost for oil group

By Peter John and Lisa Wood

The oil play in the derivatives market continued yesterday as BP was once again the most heavily traded stock option in London. More than 3,000 BP options changed hands, putting the turnover in the past four days at almost 180,000, the equivalent of 18m shares.

Upgrade boost for oil group

Enterprise Oil rose 18% to 587.5p, its highest level for five years, after the company announced that it had secured a 20% stake in the Italian oil field. Enterprise hosted an analysts' visit to its Italian operations this week.

CHIEF PRICE CHANGES

Table listing price changes for various companies like Alvis, Beaufort, and Bskyb.

NEW 52 WEEK HIGHS AND LOWS

Table listing 52-week high and low prices for various companies.

FTSE Actuaries Share Indices

Table showing FTSE Actuaries Share Indices for various sectors like Chemicals, Electronics, etc.

The UK Series

Table showing UK Series data including 1996 and 1995 performance metrics.

FTSE Actuaries Industry Sectors

Table showing FTSE Actuaries Industry Sectors for various industries like Chemicals, Electronics, etc.

FTSE 350 Industry Sectors

Table showing FTSE 350 Industry Sectors for various industries like Chemicals, Electronics, etc.

FTSE LEADERS & LAGGARDS

Table listing FTSE Leaders and Laggards with columns for Company Name, Change, and % Change.

Upgrade boost for oil group

Enterprise Oil rose 18% to 587.5p, its highest level for five years, after the company announced that it had secured a 20% stake in the Italian oil field.

Upgrade boost for oil group

Enterprise Oil rose 18% to 587.5p, its highest level for five years, after the company announced that it had secured a 20% stake in the Italian oil field.

expatriates for help



Advertisement for Rainforest We Provide Trees to Chop Down, featuring a tree and text about environmental services.

Advertisement for The Financial Times plans to publish a Survey on East African Community on Tuesday, November 5.

Advertisement for FTSE International, including contact information and details about the FTSE 100 and FTSE 350 indices.

Advertisement for World Wide Fund for Nature (WWF), featuring a panda and text about environmental conservation.

Advertisement for FT Surveys, including contact information and details about survey services.

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Table listing companies in the Alcoholic Beverages sector with columns for company name, share price, and change.

BANKS, MERCHANT

Table listing companies in the Banks, Merchant sector with columns for company name, share price, and change.

BANKS, RETAIL

Table listing companies in the Banks, Retail sector with columns for company name, share price, and change.

BREWERIES, PUBS & REST

Table listing companies in the Breweries, Pubs & Rest sector with columns for company name, share price, and change.

BUILDING & CONSTRUCTION

Table listing companies in the Building & Construction sector with columns for company name, share price, and change.

BUILDING MATS. & MERCHANTS

Table listing companies in the Building Mats. & Merchants sector with columns for company name, share price, and change.

CHEMICALS

Table listing companies in the Chemicals sector with columns for company name, share price, and change.

CHEMICALS - Cont.

Table listing companies in the Chemicals sector (continued) with columns for company name, share price, and change.

DISTRIBUTORS

Table listing companies in the Distributors sector with columns for company name, share price, and change.

DIVERSIFIED INDUSTRIALS

Table listing companies in the Diversified Industrials sector with columns for company name, share price, and change.

ELECTRICITY

Table listing companies in the Electricity sector with columns for company name, share price, and change.

ELECTRONIC & ELECTRICAL EQPT

Table listing companies in the Electronic & Electrical Eqpt sector with columns for company name, share price, and change.

ENGINEERING, VEHICLES

Table listing companies in the Engineering, Vehicles sector with columns for company name, share price, and change.

EXTRACTIVE INDUSTRIES

Table listing companies in the Extractive Industries sector with columns for company name, share price, and change.

ELECTRONIC & ELECTRICAL EQPT - Cont.

Table listing companies in the Electronic & Electrical Eqpt sector (continued) with columns for company name, share price, and change.

ENGINEERING

Table listing companies in the Engineering sector with columns for company name, share price, and change.

ENGINEERING, VEHICLES

Table listing companies in the Engineering, Vehicles sector with columns for company name, share price, and change.

EXTRACTIVE INDUSTRIES

Table listing companies in the Extractive Industries sector with columns for company name, share price, and change.

EXTRACTIVE INDUSTRIES - Cont.

Table listing companies in the Extractive Industries sector (continued) with columns for company name, share price, and change.

FOOD PRODUCERS

Table listing companies in the Food Producers sector with columns for company name, share price, and change.

FOOD PRODUCERS - Cont.

Table listing companies in the Food Producers sector (continued) with columns for company name, share price, and change.

GAS DISTRIBUTION

Table listing companies in the Gas Distribution sector with columns for company name, share price, and change.

HEALTH CARE

Table listing companies in the Health Care sector with columns for company name, share price, and change.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector with columns for company name, share price, and change.

HOUSEHOLD GOODS - Cont.

Table listing companies in the Household Goods sector (continued) with columns for company name, share price, and change.

INSURANCE

Table listing companies in the Insurance sector with columns for company name, share price, and change.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector with columns for company name, share price, and change.

INVESTMENT TRUSTS

Table listing companies in the Investment Trusts sector (continued) with columns for company name, share price, and change.

INV TRUSTS SPLIT CAPITAL

Table listing companies in the Inv Trusts Split Capital sector with columns for company name, share price, and change.

INVESTMENT TRUSTS - Cont.

Table listing companies in the Investment Trusts sector (continued) with columns for company name, share price, and change.

INV TRUSTS SPLIT CAPITAL

Table listing companies in the Inv Trusts Split Capital sector with columns for company name, share price, and change.

INV TRUSTS SPLIT CAPITAL

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INV TRUSTS SPLIT CAPITAL

Table listing companies in the Inv Trusts Split Capital sector (continued) with columns for company name, share price, and change.

Advertisement for Rockwell avionics, featuring the text 'Every major world airline flies with Rockwell avionics.' and the Rockwell logo.

ENGINEERING - Cont.

Table listing companies in the Engineering sector (continued) with columns for company name, share price, and change.

FOOD PRODUCERS - Cont.

Table listing companies in the Food Producers sector (continued) with columns for company name, share price, and change.

HOUSEHOLD GOODS

Table listing companies in the Household Goods sector with columns for company name, share price, and change.

INV TRUSTS SPLIT CAPITAL

Table listing companies in the Inv Trusts Split Capital sector with columns for company name, share price, and change.

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

Table listing investment trusts with columns for name, price, and change.

OTHER INVESTMENT TRUSTS

Table listing other investment trusts with columns for name, price, and change.

INVESTMENT COMPANIES

Table listing investment companies with columns for name, price, and change.

LEISURE & HOTELS

Table listing leisure and hotels companies with columns for name, price, and change.

LEISURE & HOTELS - Cont.

Table listing leisure and hotels companies (continued).

LIFE ASSURANCE

Table listing life assurance companies with columns for name, price, and change.

MEDIA

Table listing media companies with columns for name, price, and change.

OIL EXPLORATION & PRODUCTION

Table listing oil exploration and production companies with columns for name, price, and change.

OIL, INTEGRATED

Table listing integrated oil companies with columns for name, price, and change.

OTHER FINANCIAL

Table listing other financial companies with columns for name, price, and change.

PAPER, PACKAGING & PRINTING - Cont.

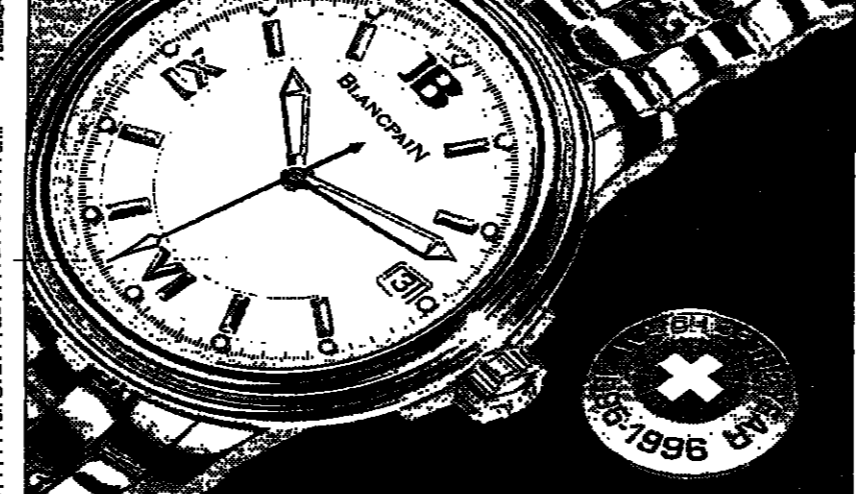
Table listing paper, packaging and printing companies (continued).

PHARMACEUTICALS

Table listing pharmaceutical companies with columns for name, price, and change.

PROPERTY

Table listing property companies with columns for name, price, and change.



PROPERTY - Cont.

Table listing property companies (continued).

RETAILERS, FOOD

Table listing retailers and food companies with columns for name, price, and change.

RETAILERS, GENERAL

Table listing general retailers with columns for name, price, and change.

SUPPORT SERVICES

Table listing support services companies with columns for name, price, and change.

SUPPORT SERVICES - Cont.

Table listing support services companies (continued).

TELECOMMUNICATIONS - Cont.

Table listing telecommunications companies (continued).

TEXTILES & APPAREL

Table listing textiles and apparel companies with columns for name, price, and change.

TOBACCO

Table listing tobacco companies with columns for name, price, and change.

TRANSPORT

Table listing transport companies with columns for name, price, and change.

WATER

Table listing water companies with columns for name, price, and change.

AIM - Cont.

Table listing AIM companies (continued).

AMERICANS

Table listing American companies with columns for name, price, and change.

CANADIANS

Table listing Canadian companies with columns for name, price, and change.

SOUTH AFRICANS

Table listing South African companies with columns for name, price, and change.

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LEGAL DEFINITIONS
 plaintiff n. 1 common domestic argument (It's your
 turn to wash up: what time do you call this? etc)
 2 a person who brings a case against another in
 court. see ROWE & MANN: asap (ph 071-248 4382)
Rowe & Mann
LAWYERS FOR BUSINESS

FINANCIAL TIMES

Weekend October 12/13 1996

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Major rallies Tories' morale

British PM's conference speech brings election victory hope

By Robert Peston, Political Editor, in London

Mr John Major, the British prime minister, yesterday launched an overtly personalised general election campaign, exploiting his progression from humble roots to Downing Street.

He used his rise from his early years in "two rooms" in the Brixton area of London to becoming prime minister as an example of his commitment to "opportunity for all".

With an emotional attack on Mr Gerry Adams, the Sinn Féin leader, and a pledge to increase National Health Service spending, he appeared to persuade party members that they had a chance of matching an election victory.

At the close of the Conservatives' annual conference in Bournemouth, Mr Major said

the previous few days had been "the weak Tory family came together". The morale of ministers and party workers has been given a significant boost in the past few days and signs that hostilities in the Tory civil war over whether to join a single European currency have been suspended.

The prime minister delivered the conference's closing address in a relaxed style. He tried to turn the tables on Labour by contrasting its election with himself as the champion of the common man.

"I left school at 16, because an extra 25 a week mattered," he said. "I learnt something from that experience. In the game of life, we Tories should even up the rules."

In a telling jibe, the private education of Labour's leader, Mr Tony Blair, was ridiculed:

"New Labour, Old School Tie," Mr Major said. Mr Major's most powerful remarks were reserved for the provisional IRA and Mr Adams. To strong applause, Mr Major accused Mr Adams of complicity in the bombing of the army headquarters in Lisburn, Northern Ireland.

"Don't tell me this has got nothing to do with you," he said of the Sinn Féin leader.

He paid tribute to Warrant Officer James Bradwell, who died as a result of injuries received in the blast, while saying that the IRA once again spat their hate at the British nation.

However, he showed that he would not be distracted from his gradualist approach of increasing Northern Ireland's political autonomy, by announcing new institutional

arrangements for the province's MPs to hold ministers to account via the "Grand Committee".

Much of his attack on Labour was focused on its proposals to devolve power to Scotland and Wales and reform the House of Lords.

He reworked Mr Blair's recent claim that a future Labour government would have "1,000 days to prepare for 1,000 years of British history", by claiming that the opposition's constitutional reforms would "undo nearly 1,000 years of British history".

After Mr Major's speech, Mr Michael Heseltine, the deputy prime minister, claimed the party was on course for a "60-seat majority" in the general election.

Conference reports, Page 4
Editorial Comment, Page 8

Nordic governments unite to suppress gang warfare

By Hilary Barnes in Copenhagen

Nordic justice ministers agreed yesterday to work together to tackle the problem of gang warfare between biker clubs, which has caused eight deaths this year.

"This is the first time that international crime has come to the Nordic countries and we must tackle it on a Nordic basis and not only nationally," said Mrs Lei Fretvalds, the Swedish justice minister.

Two people were killed and 19 injured last Sunday when an anti-tank missile was fired at a Hells Angels clubhouse in Copenhagen where a party was taking place.

But ending the feud between Hells Angels and Bandidos gangs creates a dilemma for the Nordic countries, which pride themselves on their liberal values.

The groups receive money from local councils under laws giving public funds to leisure activity clubs of all kinds.

The ministers decided yesterday to investigate the clubs' financial resources, which appear considerable. It is suspected that some of their money comes from drug dealing and other criminal activities, but this has not been proved.

"If we can take some of the money out of the system, we may be able to weaken the clubs," said Mr Bjorn Westh, the Danish justice minister.

The ministers pledged to step up the co-ordination of police against biker crime, including a joint register of stolen weapons.

The rival gangs have armed themselves with weapons stolen from military depots. The Danish police held a man after finding an anti-tank gun hidden in his summer house, while a second was held for questioning in connection with the theft from a rifle club of 12 sniper rifles and ammunition.

The Danish government has proposed a range of measures to give police wider search,

confiscation, and phone tapping powers, and provide better protection of witnesses.

Mr Westh also indicated he will propose giving the courts powers to impose stiffer prison sentences on those found guilty of illegal possession of weapons.

A straight ban on the clubs was ruled out by Mrs Fretvalds. "That is not the Nordic way of doing things," she said.

The Danish government cannot count on getting all the measures rubber-stamped by the Folketing, the parliament. Mr Bjorn Elmquist, chairman of the Folketing's justice committee and a member of the coalition government's Radical Liberal party, has emphasised that legislation cannot be hurried through, but must be given careful consideration.

The only exception is a law giving police the power to evict bikers from clubhouses in residential areas. "The measure is necessary to protect the lives of neighbourhood residents," said Mr Westh.

Deutsche Telekom

Continued from Page 1

the market, has not issued at least two licences authorising the use of alternative telecommunications infrastructure.

The complaint is the latest indication of the pressure Deutsche Telekom is facing to allow competition in parts of its lucrative corporate-client business before the market is fully liberalised in 1998.

Deutsche Telekom dismissed the complaint, describing it as an attempt to divert attention from the forthcoming initial public offering of shares, Germany's largest. "The VTM has not presented any new arguments," the company said.

Deutsche Telekom warned in its preliminary sales prospectus for the IPO, published last week, that it was likely to face legal challenges.

Earlier this week Teltit Deutschland, a telecoms company linked to the US operator WorldCom, also lodged a complaint with Brussels, alleging that Deutsche Telekom was not allowing private operators proper access to its telecoms network.

THE LEX COLUMN

Kiwi capers

New Zealand goes to the polls today for the first time under a proportional representation system. This has made the outcome particularly uncertain, with a coalition likely. Mr Jim Bolger, the prime minister, has warned darkly that a victory for the country's left-wing parties would jeopardise the economic miracle enjoyed over the past decade. This is to be expected from a politician on the stump. But foreign investors should not allow it to obscure some real concerns.

The first is value. Politicians, economists and exporters agree that the currency is overvalued. Fears that it might slip from these levels is a disincentive to foreign buying. The other is policy. US investors, in particular, were seduced by the concept of a crusading supply-side revolution, coupled with an independent central bank. Many profited handsomely, helped by the relentless surge in the currency and good profits in bonds. The prospect of a new government's tax-cutting zealously with these economic reforms looks small. It is the Labour party, after all, that initiated the process back in 1984. But doubts about value, and a possible shift to the rhetoric of social concern, could well deter foreign investors.

The wild card is the behaviour of Japanese investors. They have come late to the party in recent months, desperately seeking better returns than the dismal offerings available at home. If they continue buying, the smart money may prove to have been too cautious.

FTSE Eurotrack 200: 1811.0 (+6.0)



The latter are also rated much more highly by investors. Shorn of chemicals, Monsanto will look rather like Switzerland's Novartis - a life sciences company spanning agrochemicals, pharmaceuticals and food ingredient technology in genetics.

The only problem is the valuation. Monsanto's shares have tripled since Mr Shapiro took up his post. The chemicals division, with expected sales of \$3bn this year, might be worth \$3.5bn-\$4bn to a merger partner which can extract cost savings, and less in a flotation. That leaves the rump trading on 23 times next year's forecast earnings - a rating that would be the envy of many established drug companies. While genetic engineering is hugely promising, Monsanto now has to deliver.

Real ale

It is enough to drive any upstanding Euro-sceptic to drink. The European Commission's drive to revise a rule designed to increase the choice of beer in British pubs "tied" to the national brewers has raised howls of annoyance from the brewing industry, and rightly so. For once, the big brewers are not protecting their own interests at the expense of the consumer. Tied pubs represent a rapidly falling part of their profits - if Allied Domecq sells out of Carlsberg Tiedly, only one tenth of British pubs will be tied to national brewers. But if the Commission gets its way, the British government says the Guest Ale provision would be removed altogether, giving the consumer much less choice. This would be devastating for small traditional brewers, while actually boosting sales for the national brewers.

At least the continental European brewers themselves agree that the current British system works, which adds considerable weight to British arguments; so at worst, an agreeable compromise is likely. Moreover, the latest Euro-row could prove extremely useful to the UK's brewers. They are preparing for a much bigger battle with Brussels, over the continued exemption of tied pubs from European competition law. This would be far more damaging for the industry, particularly for the regional brewers. But with a unified front from brewers across Europe, the exemption must be more likely to stay.

Manchester United

It was Manchester United that led British football into a new commercial era. Now it has introduced the concept of the hostile takeover bid for football clubs. A variety of rumours pushed its shares 13 per cent higher yesterday. And while the names of some possible suitors may have been risible, the possibility of a takeover is not so far-fetched.

Corporate ownership of football clubs is commonplace in Europe, with Fiat and Philips controlling Juventus and PSV Eindhoven respectively. Clubs have tended to be treated as trophies rather than business opportunities. Nonetheless, the US offers plenty of examples of media groups that have built up TV networks on the back of suc-

Row over cable TV system

Continued from Page 1

stations have always supported Mr Giuliani, who faces a re-election battle next year. There have also been hints that the new Fox channel would move its headquarters elsewhere if the city did not carry its service.

Mr Murdoch has "been a big backer", concedes a former Giuliani aide.

But that can hardly have prepared Time Warner for what happened late on Thursday evening.

Unannounced, the mayor began to turn over two of the

city's five public-access cable television channels to commercial news channels - those run by Fox and Mr Michael Bloomberg, New York's king of financial information.

Time Warner took the case to a New York court yesterday morning, arguing that Mr Giuliani's move was politically motivated and an abuse of the city's public-access television system.

Time Warner, itself one of New York's biggest employers, sounded reluctant about its legal case, saying a dispute was the city's administration was the "last thing we need."

Protest over McDonald's

Continued from Page 1

India's first exporter of lettuce. "We don't think there will be a problem when people come to know our story," said Mr Vikram Bakshi, McDonald's joint venture partner in Delhi.

"The only thing American about us is the golden arches," claimed Mr M.H.J. Gomes, McDonald's director of operations in Delhi - though even this statement looked controversial yesterday.

Lawyers for a Mr P.C. Mallappa, owner of a tiles and sanitaryware company in Bangalore, took out an advert in the

Times of India claiming he had "exclusive" Indian ownership of the "M"-shaped trademark. McDonald's is reticent about how many restaurants it plans to open in the world's second-most populous country. The group has more than 17,000 outlets worldwide and claims to open a new restaurant, on average, every three hours somewhere in the world.

One McDonald's executive said the company expected to open outlets at about half the rate it did in China, where it added 65 restaurants within three years of its Beijing launch.

FT WEATHER GUIDE

Europe today
 Unsettled and windy conditions will continue over north-western areas of the UK. There will be rain over Northern Ireland and Scotland. The south will stay dry but rather cloudy. Calm conditions will prevail over France, the Benelux, Germany and the Alps with a few sunny spells interspersed with some cloud. The Iberian peninsula will be sunny but cloud will come in from Portugal. Italy will have a few showers. Calm conditions with sunny spells and patchy fog will cover eastern Europe and the Balkans. Greece and the south-eastern Mediterranean will be sunny. However, it will rain in northern Turkey.

Five-day forecast
 It will rain in Portugal and north-western Spain on Sunday and Monday. Torrential rain will spread from south-eastern France on Monday towards northern Italy and the Alps. The UK will continue to be unsettled with strong winds at times.

TODAY'S TEMPERATURES
 Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

Abu Dhabi	sun 21	Casaca	thund 32	Faro	sun 21	Madrid	sun 22	Rangoon	fair 31
Acorn	sun 36	Cardiff	show 18	Frankfurt	cloud 17	Malorca	sun 21	Reykjavik	fair 2
Algiers	sun 30	Chicago	sun 21	Geneva	cloud 17	Maria	sun 23	Rio	cloud 25
Amsterdam	sun 28	Cologne	fair 21	Gibraltar	sun 21	Manchester	cloud 16	Rome	show 22
Athens	sun 24	Dallas	fair 15	Glasgow	fair 14	Maria	sun 31	S. Frisco	sun 19
Atlanta	sun 24	Delhi	sun 29	Hamburg	cloud 15	Melbourne	fair 17	Seoul	sun 22
B. Aires	cloud 21	Dubai	sun 28	Helsinki	sun 28	Mexico City	cloud 16	Singapore	sun 31
Bahia	cloud 15	Dublin	sun 16	Hong Kong	cloud 28	Miami	sun 29	Stockholm	sun 18
Bangkok	show 18	Edinburgh	rain 14	Honolulu	sun 28	Milan	fair 18	Strasbourg	cloud 19
Barcelona	sun 20	Los Angeles	sun 24	Isarabur	show 17	Montreal	cloud 9	Sydney	cloud 21
		Lima	cloud 21	Jakarta	cloud 21	Moscow	cloud 7	Taipei	sun 22
		London	cloud 16	Karachi	sun 24	Munich	fair 17	Tokyo	sun 23
		Luxembourg	cloud 16	Kuala Lumpur	sun 26	Nairobi	sun 27	Toronto	show 21
		Lyon	sun 19	L. Angeles	sun 25	Nassau	sun 18	Vancouver	rain 16
		Madrid	show 24	Las Palmas	sun 25	New York	sun 20	Venice	sun 18
				Nice	cloud 21	Niagara	sun 20	Vienna	sun 19
				Osaka	sun 20	Nicosia	sun 27	Warsaw	sun 11
				Osaka	sun 20	Oulu	sun 13	Washington	sun 19
				Paris	cloud 16	Perth	sun 17	Wellington	rain 17
				Perth	sun 19	Prague	cloud 15	Zurich	cloud 18

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